

**Truth Consulting Limited**  
Registered number 05844296

**Truth Consulting Limited**  
Annual Report and Financial Statements  
for the year ended 31 December 2022



**Truth Consulting Limited**  
Registered number 05844296

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**Truth Consulting Limited**  
Registered number 05844296

## **Directors and advisors**

### **Directors**

T Linacre  
V Smith  
GJA Evans

### **Solicitors**

Gateley  
One Eleven  
Edmund Street  
Nottingham B3 2HJ

### **Bankers**

HSBC Bank plc  
60 Queen Victoria Street  
London  
EC4N 4TR

Bank of Ireland  
2, Burlington Plaza  
Burlington Road  
Dublin 4

### **Registered office**

First floor  
65 Gresham Street  
London  
EC2V 7NQ

### **Independent auditors**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**Truth Consulting Limited**  
Registered number 05844296

## Strategic report

The directors present their Strategic report for Truth Consulting Limited for the year ended 31 December 2022.

### Principal activities

The Company's principal activity is that of a market research agency.

### Business review

The results for the year ended 31 December 2022 are set out in the Statement of comprehensive income on page 9.

The Company produced a strong performance in the year with both revenue and profit up on the previous year and several significant new clients gained. Revenue for the 2022 financial year was £7,843,000 (2021 revenue of: £6,690,000) and profit of £1,159,000 (2021: profit of £1,187,000).

Truth Consulting Limited is a member of the Instinctif Partners Group of companies. The Instinctif Partners Group ("the Group") is a business communications consultancy group with offices in London, Frankfurt, Cologne, Munich, Berlin, Brussels, Dublin, Dubai and Johannesburg. The Group is structured in specialist industry sector teams; these are retained year-on-year by a substantial number of UK and overseas corporations and institutions. The Group offers a range of complementary communication services, including financial communications and media relations, public policy, crisis communications, brand positioning, strategic research, internal engagement, design and media training.

A full review of the business and position of the Group at year end can be found within the Annual Report and Financial Statements of Ensco 1327 Limited, the group parent company. The Company's operations are largely managed at a Group level and therefore the Directors do not believe that a separate review of the business and year end position would be appropriate to aid the understanding of the users of these financial statements.

### Key Performance Indicators

|  | Year ended<br>31 December<br>2022<br>£'000 | Year ended<br>31 December<br>2021<br>£'000 |
|--|--|--|
| <b>Statement of operations</b>               |  |  |
| Turnover                                     | 7,843                                      | 6,690                                      |
| Operating profit excluding highlighted items | 1,314                                      | 1,231                                      |
| Operating profit                             | 1,310                                      | 1,231                                      |

The directors consider turnover and operating profit excluding highlighted items, or operating profit (as defined in note 3 to the financial statements) to be the key indicators of the Company's performance.

### Future outlook

Following a right sizing exercise at the end of 2023 we believe we are well positioned to achieve an improved EBITDA in 2024, by continuing to partner both new and existing clients in a changing world.

Cost control remains a priority, however the leadership team has been strengthened throughout the year by both key hires and internal promotions who will help deliver growth throughout the organisation.

As we cautiously approach 2024 and acknowledge the general tougher macroeconomic environment, our circumspect stance becomes imperative. Truth Consulting remains attuned to the potential implications for client budgets, recognising the need of proactive measures to navigate this delicate balance.

### Principal risks, uncertainties and financial risk management

#### Interest rate risk

The Company finances its operations through committed bank facilities. The interest rate risk on bank facilities moves in line with SONIA

#### Currency risk

The company buys currency at spot rate. The company minimises exposure to foreign exchange through the use of matching currency flows where possible.

#### Liquidity risk

The Company's policy is to ensure that it has committed borrowing facilities in place in excess of its forecast requirements. The directors believe the Company has sufficient financing facilities in place for the next 12 months.

#### Credit risk

Credit risk arises on financial instruments such as trade debtors and short term bank deposits. Policies and procedures exist to ensure that clients have an appropriate credit history. Short term bank deposits are only with highly credit rated authorised counterparties.

On behalf of the board

DocuSigned by:

*James Evans*

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J Evans  
Director

65 Gresham Street  
London  
EC2V 7NQ

8 March 2024

**Truth Consulting Limited**  
Registered number 05844296

## Directors' report

The directors present their Directors' report and the audited financial statements for the year ended 31 December 2022.

### Dividends

The directors do not recommend payment of a dividend.

### Financial Risk Management

Financial risk management disclosures are included in the Strategic Report on page 4.

### Going concern

In adopting the going concern basis for the preparation of our financial statements, the Directors have conducted a thorough evaluation covering various crucial factors:

- **Future Trading Prospects:** We have extensively examined the future trading prospects of the Group's businesses, gaining valuable insights into the sustainability of our operations. The analysis indicates that Truth Consulting Limited is well-positioned to achieve improved EBITDA in 2024 following a rightsizing period in 2023.
- **Liquidity Position:** The Group's available liquidity has been a focal point, with a detailed assessment of our ability to meet short-term financial obligations and working capital needs.
- **Debt Maturities and Borrowing Covenants:** Our evaluation extends to the Group's debt maturities and obligations under borrowing covenants, and we are committed to fulfilling our financial commitments.
- **Principal Risks:** We have factored in the Group's principal risks, as outlined in the Strategic Report, in our assessment. We remain vigilant in addressing and mitigating these risks.

The company meets its day-to-day working capital requirements through ongoing operating cash flows and inter-company balances from fellow group undertakings. As the company is in the Group's central treasury agreements and due to the level of intercompany debt due to fellow group entities, the company has obtained a letter of support from its Group parent, Ensco 1327 Limited, providing support for a period of not less than 12 months from the date of approval of the financial statements. The company's Directors have also assessed the parent company's ability to provide any support required under this letter of support.

In their evaluation of the Group position, the Directors of the parent company, Ensco 1327 Limited, have developed various trading scenarios looking 12 months beyond the accounts' signing date, enabling them to assess the ability of the Group and all subsidiary companies to continue as a going concern. The Directors acknowledge that, whilst they are comfortable that any uncertainties in the forecasted cashflows are not material, there are always market uncertainties that could impact trading. These factors are reviewed and discussed on a continuing basis at the Board and there are plans to ensure action is taken to mitigate risk to the Group if needed.

As part of their assessment, the parent company Directors have received written confirmation that the maturity date of the loan notes due on 5 March 2025 have been extended to 30 September 2026. Additionally, the parent company has obtained further investment from LDC, the group's principal shareholder. Following this investment, the outstanding bank loan will be repaid and all lending covenants will be removed, with simultaneous drawdown of new funding and repayment of the existing bank debt. Based on their forecasts and projections, accounting for potential changes in trading performance, the Directors of the Group are confident that the Group no longer needs a financing facility and can operate on its day to day working capital.

### Going concern basis

Based on the scenarios modelled, the Directors believe that the Group is well placed to manage its financing and other business risks satisfactorily and have been able to form a reasonable expectation that the Group has adequate resources to continue in operation for at least twelve months from the signing date of these consolidated financial statements.

The directors having assessed the responses of the directors of the Company's group parent, Ensco 1327 Limited, to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Ensco 1327 Limited to continue as a going concern or its ability to provide any financial support that the company may require under the letter of support.

On the basis of their assessment of the company's financial position, the queries made of the directors of Ensco 1327 Limited and the letter of support obtained from Ensco 1327 Limited, the company's directors have a reasonable expectation that the company will be able to continue in operation existence for at least 12 months from the date of signing these financial statements and the foreseeable future. This they have adopted the going concern basis of accounting in preparing the annual financial statements.

The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

**Truth Consulting Limited**  
Registered number 05844296

## Director's report (continued)

### Directors

The directors who held office during the year and up to the date of signing these financial statements was as follows:

T Linacre  
EFH Amory (appointed 3 August 2022 and resigned 31 January 2024)  
V Smith (appointed 3 August 2022)  
JC Taylor-Smith (appointed 3 August 2022 and resigned 6 April 2023)  
GJA Evans (appointed 14 June 2023)

The Company maintained, throughout the year, and up to the date of this report, director's and officer's liability insurance in respect of itself and its directors. The cost of this insurance was borne by another group company.

### Disclosure of information to auditors

The Directors who held office at the date of approval of this report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor are unaware. In addition, they confirm that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Independent auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and BDO LLP will therefore continue in office.

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

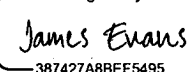
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the board

DocuSigned by:

  
387427A8BEF5495...

J Evans  
Director

65 Gresham Street  
London  
EC2V 7NQ

8 March 2024

**Truth Consulting Limited**  
Registered number 05844296

## **Independent auditors' report to the members of Truth Consulting Limited for the year ended 31 December 2022**

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Truth Consulting Limited ("the Company") for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report and the Directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.
- In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Truth Consulting Limited**  
Registered number 05844296

## **Independent auditors' report to the members of Truth Consulting Limited for the year ended 31 December 2022 (continued)**

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
  - Discussion with management and those charged with governance; and
  - Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;
- we considered the significant laws and regulations to be the reporting framework (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and relevant tax compliance legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and GDPR.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - o Detecting and responding to the risks of fraud; and
  - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition and management override.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, with a focus on large or unusual transactions based on our knowledge of the business;
- Assessing significant estimates made by management for bias, including but not limited to recoverability of debtors and amounts owed by group undertakings; and
- Ensuring the revenue recognition policy is in accordance with the Company's reporting framework and substantively testing a sample of revenue recognised in the year.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Andrew Viner

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Andrew Viner (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

8 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



**Truth Consulting Limited**  
Registered number 05844296

## Statement of comprehensive income for the year ended 31 December 2022

|   |      | Year ended<br>31 December<br>2022 | Year ended<br>31 December<br>2021 |
|---|------|-----------------------------------|-----------------------------------|
|   | Note | £'000                             | £'000                             |
| Turnover  | 4    | 7,843                             | 6,690                             |
| Cost of sales                                       |      | (2,956)                           | (2,488)                           |
| <b>Gross profit</b>                                 |      | <b>4,887</b>                      | <b>4,202</b>                      |
| Administrative expenses excluding highlighted items |      | (3,573)                           | (2,971)                           |
| Administrative expenses - highlighted items         | 6    | (4)                               | -                                 |
| Administrative expenses                             |      | (3,577)                           | (2,971)                           |
| Operating profit excluding highlighted items        |      | 1,314                             | 1,231                             |
| <b>Operating profit</b>                             | 5    | <b>1,310</b>                      | <b>1,231</b>                      |
| Interest payable and similar expenses               |      | -                                 | (3)                               |
| <b>Profit before taxation</b>                       |      | <b>1,310</b>                      | <b>1,228</b>                      |
| Taxation  | 8    | (151)                             | (41)                              |
| <b>Profit for the financial year</b>                |      | <b>1,159</b>                      | <b>1,187</b>                      |

The Company's results are derived wholly from continuing operations.

Notes on pages 12 to 20 form part of the financial statements.

**Truth Consulting Limited**  
Registered number 05844296

## Balance sheet

### As at 31 December 2022

|   | Note | At 31 December<br>2022<br>£'000 | At 31 December<br>2021<br>£'000 |
|---|------|---------------------------------|---------------------------------|
| <b>Fixed assets</b>                                   |      |                                 |                                 |
| Tangible assets                                       | 9    | 17                              | 13                              |
| <b>Current assets</b>                                 |      |                                 |                                 |
| Debtors: amounts falling due within one year          | 10   | 1,454                           | 5,665                           |
| Debtors: amounts falling due after more one year      | 10   | 2,148                           | -                               |
| Cash at bank and in hand                              |      | 2,718                           | 2,369                           |
|   |      | 6,320                           | 8,034                           |
| <b>Creditors: amounts falling due within one year</b> | 11   | (6,660)                         | (9,529)                         |
| <b>Net current liabilities</b>                        |      | (340)                           | (1,495)                         |
| <b>Total assets less current liabilities</b>          |      | (323)                           | (1,482)                         |
| <b>Net liabilities</b>                                |      | (323)                           | (1,482)                         |
| <b>Capital and reserves</b>                           |      |                                 |                                 |
| Called up share capital                               | 13   | 3                               | 3                               |
| Share premium account                                 | 14   | 100                             | 100                             |
| Capital redemption reserve                            | 14   | (2)                             | (2)                             |
| Profit and loss account                               | 14   | (424)                           | (1,583)                         |
| <b>Total shareholders' deficit</b>                    |      | (323)                           | (1,482)                         |

Notes on pages 12 to 20 form part of the financial statements.

These financial statements, on pages 9 to 20, were approved by the board of directors on 8 March 2024 and were signed on its behalf by:

DocuSigned by:

*James Evans*

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J Evans  
Director

**Truth Consulting Limited**  
Registered number 05844296

**Statement of changes in equity  
for the year ended 31 December 2022**

|                               | Called up<br>share capital<br>£'000 | Share Premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Profit and loss<br>account<br>£'000 | Total<br>shareholders'<br>deficit<br>£'000 |
|-------------------------------|-------------------------------------|-----------------------------------|---|-------------------------------------|--|
| At 1 January 2022             | 3                                   | 100                               | (2)                                       | (1,583)                             | (1,482)                                    |
| Profit for the financial year | -                                   | -                                 | -   | 1,159                               | 1,159                                      |
| <b>At 31 December 2022</b>    | <b>3</b>                            | <b>100</b>                        | <b>(2)</b>                                | <b>(424)</b>                        | <b>(323)</b>                               |
| At 1 January 2021             | 3                                   | 100                               | (2)                                       | (2,770)                             | (2,669)                                    |
| Profit for the financial year | -                                   | -                                 | -   | 1,187                               | 1,187                                      |
| <b>At 31 December 2021</b>    | <b>3</b>                            | <b>100</b>                        | <b>(2)</b>                                | <b>(1,583)</b>                      | <b>(1,482)</b>                             |

Notes on pages 12 to 20 form part of the financial statements.

**Truth Consulting Limited**  
Registered number 05844296

## Notes to the financial statements for the year ended 31 December 2022

### 1 General Information

Truth Consulting Limited (the "Company") is a private company, limited by shares incorporated in the United Kingdom and registered in England & Wales. The Company operates as a market research agency. The address of its registered office is First floor, 65 Gresham Street, London EC2V 7NQ.

### 2 Statement of Compliance

These financial statements were prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Companies Act 2006. The functional and presentation currency of these financial statements is Pound Sterling. All amounts in the financial statements have been rounded to the nearest £1,000. Rounding differences of £1,000 or less have not been adjusted for as these do not have material impact to the understanding of users of these financial statements.

### 3 Summary of significant accounting policies

#### Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit and loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed later in this note.

#### Going concern

In adopting the going concern basis for the preparation of our financial statements, the Directors have conducted a thorough evaluation covering various crucial factors:

- **Future Trading Prospects:** We have extensively examined the future trading prospects of the Group's businesses, gaining valuable insights into the sustainability of our operations. The analysis indicates that Truth Consulting Limited is well-positioned to achieve improved EBITDA in 2024 following a rightsizing period in 2023.
- **Liquidity Position:** The Group's available liquidity has been a focal point, with a detailed assessment of our ability to meet short-term financial obligations and working capital needs.
- **Debt Maturities and Borrowing Covenants:** Our evaluation extends to the Group's debt maturities and obligations under borrowing covenants, and we are committed to fulfilling our financial commitments.
- **Principal Risks:** We have factored in the Group's principal risks, as outlined in the Strategic Report, in our assessment. We remain vigilant in addressing and mitigating these risks.

The company meets its day-to-day working capital requirements through ongoing operating cash flows and inter-company balances from fellow group undertakings. As the company is in the Group's central treasury agreements and due to the level of intercompany debt due to fellow group entities, the company has obtained a letter of support from its Group parent, Ensco 1327 Limited, providing support for a period of not less than 12 months from the date of approval of the financial statements. The company's Directors have also assessed the parent company's ability to provide any support required under this letter of support.

In their evaluation of the Group position, the Directors of the parent company, Ensco 1327 Limited, have developed various trading scenarios looking 12 months beyond the accounts' signing date, enabling them to assess the ability of the Group and all subsidiary companies to continue as a going concern. The Directors acknowledge that, whilst they are comfortable that any uncertainties in the forecasted cashflows are not material, there are always market uncertainties that could impact trading. These factors are reviewed and discussed on a continuing basis at the Board and there are plans to ensure action is taken to mitigate risk to the Group if needed.

As part of their assessment, the parent company Directors have received written confirmation that the maturity date of the loan notes due on 5 March 2025 have been extended to 30 September 2026. Additionally, the parent company has obtained further investment from LDC, the group's principal shareholder. Following this investment, the outstanding bank loan will be repaid and all lending covenants will be removed, with simultaneous drawdown of new funding and repayment of the existing bank debt. Based on their forecasts and projections, accounting for potential changes in trading performance, the Directors of the Group are confident that the Group no longer needs a financing facility and can operate on its day to day working capital.

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Summary of significant accounting policies (continued)

#### Going Concern (continued)

##### Going concern basis

Based on the scenarios modelled, the Directors believe that the Group is well placed to manage its financing and other business risks satisfactorily and have been able to form a reasonable expectation that the Group has adequate resources to continue in operation for at least twelve months from the signing date of these consolidated financial statements.

The directors having assessed the responses of the directors of the Company's group parent, Ensco 1327 Limited, to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Ensco 1327 Limited to continue as a going concern or its ability to provide any financial support that the company may require under the letter of support.

On the basis of their assessment of the company's financial position, the queries made of the directors of Ensco 1327 Limited and the letter of support obtained from Ensco 1327 Limited, the company's directors have a reasonable expectation that the company will be able to continue in operation existence for at least 12 months from the date of signing these financial statements and the foreseeable future. This they have adopted the going concern basis of accounting in preparing the annual financial statements.

The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

#### EXEMPTIONS TO QUALIFYING ENTITIES UNDER FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Truth Consulting Limited is a qualifying entity as its results are consolidated into the financial statements of Ensco 1327 Limited which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i. from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102; the Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its group parent company, Ensco 1327 Limited, includes the Company's cash flows in its own consolidated financial statements;
- ii. from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102; and
- iii. from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102.
- iv. from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

#### Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency using the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency using the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

#### Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### Basic financial instruments

##### Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

##### Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Truth Consulting Limited**  
Registered number 05844296

**Notes to the financial statements for the year ended (continued)**

**3 Summary of significant accounting policies (continued)**

**Leases**

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

|                               |                      |
|-------------------------------|----------------------|
| Short leasehold property      | Over the lease terms |
| Fixtures and fittings         | 20% per annum        |
| Office and computer equipment | 25% or 33% per annum |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

**Highlighted items**

Where the Directors consider that particular items of income or expenditure are material in terms of their size or nature, these items are separately identified in the Statement of comprehensive income. Such items are typically those items that are not related to the Company's normal trading activities, for example, deferred consideration on acquisitions, restructuring costs or the costs of moving to new offices.

**Cash at bank and in hand**

Cash at bank and in hand comprises cash balance and call deposits.

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Summary of significant accounting policies (continued)

#### Impairment

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset and can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the reversal of the impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. Where appropriate conditions are noted, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Employee benefits

##### *Defined contribution plans and other long term employee benefits*

The Company operates a defined contribution pension scheme. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

#### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates, branch, joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Summary of significant accounting policies (continued)

#### Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

#### Turnover

Turnover derived from retainers is recognised evenly on a monthly basis over the lifetime of the retainer contract. Turnover for time-charge based work is recognised when the service is performed in accordance with the contract. For fixed fee projects, turnover is only recognised once the final outcome can be assessed with reasonable certainty, and the stage of completion is determined relative to the total number of hours expected to complete the work or provision of services.

Turnover represents the total invoice value, net of value added tax, for the rendering of services and goods supplied by the group and comprises charges for fees, commissions and rechargeable expenses incurred on behalf of clients. Gross profit is turnover less amounts payable on behalf of clients to external suppliers where they are retained to perform part of a specific client project or service, and represents fees, commissions and mark-ups on rechargeable expenses.

Turnover and gross profit reflect the fair value of the proportion of the work carried out in the year by recording turnover and related costs as service activity progresses.

Where turnover is recognised for a given period on the basis of time spent and services given but has not yet been invoiced to the customer, this is recorded as accrued income.

Where amounts have been invoiced to customers prior to the year end but will be recognised in future periods (on the basis of when time will be spent and services given), this is recorded as deferred income.

#### Critical accounting estimates and judgements

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and costs. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Revenue recognition

In determining the amount of revenue to be recognised in respect of project work ongoing at year end, the factors taken into account in assessing the percentage of completion of a project include hours worked versus budget, project phases, milestones completed or deliverables issued to the client.

#### Recoverability of receivables from fellow Group companies

The carrying amounts of the Company's balances receivable from fellow Group companies are reviewed at each reporting date to determine whether there are any recoverability issues. If any such issues exist, then the recoverable amount is estimated and the balance may be provided for.

#### Recoverability of receivables from trade debtors

The carrying amounts of the Company's balances receivable from fellow trade debtors are reviewed at each reporting date to determine whether there are any recoverability issues. If any such issues exist, then the recoverable amount is estimated and the balance may be provided for.

### 4 Turnover

Turnover by geographical market is set out below. The principal activity is for marketing research services, and all turnover is derived from the principal activity.

|                | Year ended<br>31 December<br>2022<br>£'000 | Year ended<br>31 December<br>2021<br>£'000 |
|----------------|--|--|
| United Kingdom | 4,806                                      | 4,130                                      |
| Europe         | 2,818                                      | 2,296                                      |
| Rest of world  | 219  | 264  |
| Total turnover | 7,843                                      | 6,690                                      |

Turnover is allocated based on the location of the client.



## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 5 Operating profit

Operating profit on ordinary activities is stated after charging:

|   | Year ended<br>31 December<br>2022<br>£'000 | Year ended<br>31 December<br>2021<br>£'000 |
|---|--|--|
| Depreciation of tangible fixed assets                           | 9  | 3  |
|   | 9  | 3  |
| Services provided by the Company's auditors and its associates: |  |  |
|   | £'000                                      | £'000                                      |
| Audit related assurance services                                | 27   | 24   |
| Taxation compliance   | 6  | 5  |

### 6 Administrative Expenses - Highlighted items

|   | Year ended<br>31 December<br>2022<br>£'000 | Year ended<br>31 December<br>2021<br>£'000 |
|---|--|--|
| Staff termination and restructuring costs | 4  | -  |
|   | 4  | -  |

Highlighted items have been separately identified because of their nature and because they are non-recurring. In the opinion of the Directors, these costs are useful to be separately identified, to enable a full understanding of the Company's underlying financial performance.

Staff termination costs relate to restructuring of particular areas of the Company's operations.

### 7 Staff costs

|                       | Year ended<br>31 December<br>2022<br>£'000 | Year ended<br>31 December<br>2021<br>£'000 |
|-----------------------|--|--|
| Wages and salaries    | 2,393                                      | 1,863                                      |
| Social security costs | 235  | 185  |
| Other pension costs   | 73   | 69   |
|                       | 2,701                                      | 2,117                                      |

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

|                    | Year ended<br>31 December<br>2022<br>Number | Year ended<br>31 December<br>2021<br>Number |
|--------------------|---|---|
| Directors          | 4   | 1   |
| Marketing services | 39  | 31  |
|                    | 43  | 32  |

The directors are remunerated through Instinctif Partners Limited, a fellow subsidiary undertaking.

The number of directors to whom retirement benefits are accruing at 31 December 2022 under money purchase schemes amounted to 2 (2021: 1).

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 8 Taxation

|  | Year ended<br>31 December<br>2022<br>£'000 | Year ended<br>31 December<br>2021<br>£'000 |
|--|--|--|
| <b>Tax expense included in profit or loss</b>  |  |  |
| <i>Current tax</i>                             |  |  |
| Current tax on profit/(loss) for the year      | -  | -  |
| Adjustment in respect of prior years           | -  | -  |
| Total current tax charge                       | -  | -  |
| <i>Deferred tax (see note 12)</i>              |  |  |
| Origination and reversal of timing differences | 149  | 101  |
| Effect of rate change                          | -  | (60)                                       |
| Adjustments in respect of previous years       | 2  | -  |
| Total deferred tax credit                      | 151  | 41   |
| <b>Tax on profit</b>                           | <b>151</b>                                 | <b>41</b>                                  |

#### Reconciliation of tax charge

Tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021: 19%). The differences are explained below:

|  | Year ended<br>31 December<br>2022<br>£'000 | Year ended<br>31 December<br>2021<br>£'000 |
|--|--|--|
| Profit before taxation   | 1,310                                      | 1,228                                      |
| Profit multiplied by the standard rate of tax in the UK of 19% (2021: 19%) | 249  | 234  |
| Effects of:  |  |  |
| Remeasurement of deferred tax for changes in tax rates                     | 2  | -  |
| Non-deductible expenses  | 1  | -  |
| Movement in deferred tax not recognised                                    | 141  | (100)                                      |
| Remeasurement of deferred tax for changes in tax rates                     | -  | (37)                                       |
| Adjustments in respect of previous years                                   | 2  | -  |
| Group relief claimed   | (243)                                      | (56)                                       |
| Fixed asset differences  | (1)  | -  |
| <b>Tax on profit</b>   | <b>151</b>                                 | <b>41</b>                                  |

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate to from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

### 9 Tangible assets

|                                    | Fixtures<br>and fittings<br>£'000 | Short<br>leasehold<br>property<br>£'000 | Office and<br>computer<br>equipment<br>£'000 | Total<br>£'000 |
|------------------------------------|-----------------------------------|---|--|----------------|
| <b>At 31 December 2021</b>         |                                   |   |  |                |
| Cost                               | 93                                | 275                                     | 226  | 594            |
| Accumulated depreciation           | (93)                              | (275)                                   | (213)  | (581)          |
| <b>Net book value</b>              | <b>-</b>                          | <b>-</b>                                | <b>13</b>                                    | <b>13</b>      |
| <b>Year ended 31 December 2022</b> |                                   |   |  |                |
| Opening net book value             | -                                 | -                                       | 13   | 13             |
| Additions                          | -                                 | -                                       | 13   | 13             |
| Depreciation                       | -                                 | -                                       | (9)  | (9)            |
| <b>At 31 December 2022</b>         | <b>-</b>                          | <b>-</b>                                | <b>17</b>                                    | <b>17</b>      |
| <b>At 31 December 2022</b>         |                                   |   |  |                |
| Cost                               | 93                                | 275                                     | 239  | 607            |
| Accumulated depreciation           | (93)                              | (275)                                   | (222)  | (590)          |
| <b>Net book value</b>              | <b>-</b>                          | <b>-</b>                                | <b>17</b>                                    | <b>17</b>      |

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 10 Debtors

|  | At 31 December<br>2022<br>£'000 | At 31 December<br>2021<br>£'000 |
|--|---------------------------------|---------------------------------|
| <i>Amounts falling due within one year:</i>          |                                 |                                 |
| Trade debtors  | 1,284                           | 2,746                           |
| Amounts owed by group undertakings                   | -                               | 2,246                           |
| Deferred tax   | -                               | 151                             |
| Prepayments  | 34                              | 46                              |
| Accrued income                                       | 136                             | 476                             |
|  | <b>1,454</b>                    | <b>5,665</b>                    |
| <i>Amounts falling due after more than one year:</i> |                                 |                                 |
| Amounts owed by group undertakings                   | 2,148                           | -                               |
|  | <b>3,602</b>                    | <b>5,665</b>                    |

Amounts owed from group undertakings are unsecured, interest free, have no fixed date of repayment.

### 11 Creditors: amounts falling due within one year

|                                    | At 31 December<br>2022<br>£'000 | At 31 December<br>2021<br>£'000 |
|------------------------------------|---------------------------------|---------------------------------|
| Trade creditors                    | 67                              | 295                             |
| Amounts owed to group undertakings | 4,790                           | 6,547                           |
| Taxation and social security       | 186                             | 259                             |
| Other creditors                    | 4                               | 12                              |
| Accruals                           | 1,029                           | 993                             |
| Deferred income                    | 584                             | 1,423                           |
|                                    | <b>6,660</b>                    | <b>9,529</b>                    |

Amounts owed from group undertakings are unsecured, interest free, have no fixed date of repayment.

### 12 Deferred tax

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| At 1 January                                | 151           | 192           |
| Charged to profit and loss account (note 8) | (151)         | (41)          |
| <b>At 31 December</b>                       | <b>-</b>      | <b>151</b>    |

Deferred tax in the financial statements is calculated at the expected rate of 25% (2021: 25%). This is the rate expected to apply in the reporting period when the timing differences reverse.

Deferred tax assets amounting to £99,000 (2021: £nil) on carried forward losses have not been recognised as it is not probable that they will be able to be utilised against future taxable profits.

The deferred tax balance comprises:

|                    | 2022<br>£'000 | 2021<br>£'000 |
|--------------------|---------------|---------------|
| Capital allowances | -             | 52            |
| Trade losses       | -             | 99            |
|                    | <b>-</b>      | <b>151</b>    |

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 13 Called up share capital

#### Allotted, called up and fully paid

|   | At 31 December<br>2022<br>£'000 | At 31 December<br>2021<br>£'000 |
|---|---------------------------------|---------------------------------|
| 33,625 (2021: 33,625) Ordinary shares of 10p each | 3                               | 3                               |

The ordinary shares all carry equal voting and dividend rights.

### 14 Reserves

Reserves of the Company represent the following:

#### Share premium

Share premium includes the premium on issue of equity shares, net of any issue costs.

#### Capital redemption

Capital redemption includes the nominal value of own shares that have been acquired by the Company and cancelled.

#### Profit and loss

Profit and loss account represents cumulative profits or losses. Other transactions with shareholders relate to the waiver of intercompany balances from dormant Group subsidiaries.

### 15 Contingent liabilities

The ultimate parent company, Ensco 1327 Limited, is party to a term loan and revolving credit facility agreement provided by HSBC Bank plc ('HSBC') and The Governor and Company of the Bank of Ireland.

The Company is part of a composite guarantee arrangement, whereby the Company has provided guarantees over all balances outstanding to HSBC and Bank of Ireland under both the rolling credit facility and the term loan.

As part of the banking agreement, HSBC issued a £939k guarantee on behalf of Instinctif Partners Holdings Limited, a subsidiary company, in favour of JPMorgan Chase Bank, National Association.

As at 31 December 2022 amounts owed on the term loan and revolving credit facility were £1,450,000, and £2,500,000 respectively.

### 16 Pension scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge in note 7 represents contributions payable by the Company to the fund. Contributions amounting to £nil (2021: £14,000) were included in creditors at the year end.

### 17 Related party disclosures

As the Company is a wholly owned subsidiary of Ensco 1327 Limited, the Company has taken advantage of the exemption contained in FRS 102 section 33.1A and has therefore not disclosed transactions or balances with entities which are wholly owned subsidiaries of the group. There are no other related party transactions.

The Company considers key management personnel to be the Company's directors and details of their compensation are shown in note 7.

### 18 Group parent undertaking and controlling party

The immediate parent company is Instinctif Partners Intermediate Holdings Limited, a company registered in England & Wales.

The group parent company, and the smallest and largest group to consolidate these financial statements, is Ensco 1327 Limited, a company registered in England and Wales. Ensco 1327 Limited prepares group financial statements and copies can be obtained from 65 Gresham Street, London EC2V 7NQ.

The ultimate parent company is Lloyds Banking Group plc, whose registered office is at The Mound, Edinburgh, EH1 1YZ.

### 19 Post balance sheet events

At the end of 2023 a restructuring exercise was carried out to rightsize the business, this impacted the UK and German Truth offices, all employees involved will have left the business by early 2024. A new CEO was appointed in March 2024 and a new head of practice joined the Truth business late 2023. As at the date of approval of these financial statements, additional funding from LDC has been secured by way of loan notes with a maturity date of 30 September 2026. In addition the maturity date for all existing loan Notes held within the business have been extended to 30 September 2026. This funding will be used to settle the remaining bank debt and outstanding interest and inject additional working capital into the business, the details of this can be found in the accounts of Ensco 1327 Limited.