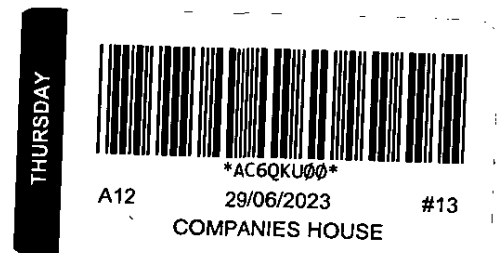


Company registration number: 06878779

UNAUDITED ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2022

ADAPTAVIST GROUP LTD



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ADAPTAVIST GROUP LTD

COMPANY INFORMATION

Directors	S Houghton-Williams J Haynes
Registered number	06878779
Registered office	Adaptavist 25 Wilton Road Victoria London SW1V 1LW
Accountants	Menzies LLP Chartered Accountants 1st Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ

ADAPTAVIST GROUP LTD

CONTENTS

	Page
Strategic Report	1 - 5
Directors' Report	6 - 7
Accountants' Report	8
Statement of Income and Retained Earnings	9
Statement of Financial Position	10 - 11
Notes to the Financial Statements	12 - 22
The following pages do not form part of the statutory financial statements:	
Detailed Profit and Loss Account and Summaries	23 - 24

ADAPTAVIST GROUP LTD

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

Introduction

The directors present their strategic report of the Company for the year ended 30 September 2022.

Highlights

- Extended our geographical reach with acquisitions of Aligned Agility, Gravity Works, and Agile Docs Software. Headcount grew organically by 27%, and, for the first time, most of the team is based outside the UK.
- Aligned our business lines, teams, and go-to-market around customer needs by introducing five practices – Agile, DevOps, Work Management, ITSM, and Cloud.
- Strengthened Atlassian relationship by aligning with their primary strategic objective of migrating to the Cloud. Named Atlassian Partner of the Year for 2022 for both Cloud Migration Services and Cloud Ready Apps.

The focus in FY2022 had been to invest in the business structure to support continued growth. Profit had been fully reinvested into the business as there were clear opportunities in the continued demand for people-focused Agile transformation, consultancy, and apps/tools. We were laser-focused on the needs of our customers and had added expertise, experience, and scale to our offering this year.

Increased Agile scale and expertise through M&A

The Atlassian ecosystem continues to see extensive growth and M&A activity. Our focus had been to pursue growth opportunities through acquisition and add expertise to the business. The purchase of US-based Aligned Agility (November 2021) and South Africa-based Gravity Works (March 2022) added two teams of skilled and experienced Agile consultants. These acquisitions increased our geographical reach (including our first presence in Africa) and our capacity to deliver Agile transformation at scale for Enterprise clients.

Improving the experience of Jira for its users was the driver of our acquisition of Australia-based product developer Agile Docs Software (February 2022). The Apps give Agile product and project managers greater visibility and precision across their Jira instances.

In November 2021, our Project Configurator for Jira app was acquired by Appfire via a subsidiary.

Extended our global footprint to work how and where customers need us

Adaptavist had long had a focus on expanding its global footprint in order to access local markets. The growth of our team reflected our investment in the Client Service division and our focus on customer success. The acquisition of Gravity Works established The Adaptavist Group in South Africa with a team of 15 experienced Agile consultants. We built on this South African presence to achieve Atlassian Platinum Partner status.

There was also a significant growth of our teams in Canada (41% YOY to 108 people), Spain (61% to 37 people), and Malaysia (39% to 57 people). The acquisition of Agile Docs Software also gave us a presence in Australia for the first time, with proximity to one of Atlassian's primary locations. Similarly, we now have a physical presence in Amsterdam, Atlassian's main European hub. The Netherlands is also the 13th largest technology market in the world.

ADAPTAVIST GROUP LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Practices and partnerships are foundations for customer focus and growth

As The Adaptavist Group grows, it is essential to maintain and adapt our 'laser focus' on customer needs. We have developed several practices that cut across business units, teams, and locations to help expand our offerings for customers: Agile, DevOps, Work Management, IT Service Management (ITSM), and Cloud.

We consider these five areas the cornerstones of a modern, digitally transformed business and aim to use them to align customers' tools, technology, and platform needs with activities that deliver successful business outcomes.

Adopting this framework helped the business to identify other ecosystems that can help customers transform through changes to their people, processes, and tools. We partnered with monday.com (Work Management), offering consulting services around this platform and the potential to build integrations to Atlassian (and other) platforms.

We also achieved Select Channel Partner status with GitLab, the Enterprise DevOps security platform, enhancing our consulting and managed service offering around this platform. In the Cloud practice, AWS is a key partnership. We are an AWS Advanced Consulting partner, offering cloud hosting, migration and managed services that help customers realise the benefits of Cloud.

Structured the business for growth and customer focus

Having the right skills and experience with the proper support to collaborate and deliver is vital to The Adaptavist Group's continued success. Overall headcount increased by 32% to 620 people by the end of September 2022. For the first time, most of our team was based outside the UK.

During the year, we strongly invested in the Client Services (45% increase in headcount), HR (40% increase), and Operations (45% increase) teams. We constantly invested in building relationships and networks between individuals and teams across the group. We also established a UX/UI team to work across the group, adding customer focus to our customer-facing systems and App interfaces.

Invested in our App ecosystem to create growth opportunities

We established the Adaptavist App Solution Partner Programme in 2019. It had grown dramatically and has over 80 members contributing c.30% of Adaptavist's App revenue. The programme enables us to work closely with resellers and solution partners to ensure that end customers get the solutions, support, and expertise they need to maximise their investment in Atlassian and Adaptavist software.

We launched the Partner Accreditation Program to provide partners with a means of differentiating their expertise and experience. The first two accreditations – ScriptRunner for Jira Fundamentals and ScriptRunner for Confluence Fundamentals – had been completed by 22 partners in 11 countries already, allowing them to sell our Apps to their customers confidently.

ADAPTAVIST GROUP LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Evolved and innovated our product offering

In May, the Atlassian Marketplace celebrated its tenth anniversary. The Marketplace enabled partners like Adaptavist to offer and commercialise apps that extend and customise Atlassian's software. Adaptavist was present from the beginning. The Marketplace had evolved considerably since.

Our product business continued to evolve and innovate too. Highlights included the ScriptRunner team launching Microscope Power Audit for Jira Admins. It provided critical migration insight for Jira instances in readiness for migration to Cloud. During September, the ScriptRunner team launched early access to ScriptRunner Behaviours for Jira Cloud, a Cloud version of the popular app. It was built in close collaboration with Atlassian on their new Forge developer platform.

Innovative tools such as Workflow Steps for Jira, the integration tool between Slack and Jira, continued to create new features for its growing user base. It was made available free of charge to remove barriers to awareness and adoption, as well as feeding a cycle of learning about what customers need and making the product ready for future commercialisation. Stitch It, a new integration product built on previous investment in cross-platform technology pivoted during FY22 based on key user insights.

Whilst we have a solid commitment to Atlassian Cloud, we fully understood that it was not for everyone. With that in mind, we continued to develop apps for both Atlassian's Cloud and Data Center platforms.

Positioned to help deliver Atlassian's key strategic objective

Atlassian reorganised its business and partner programmes to focus on moving as many customers as possible to its Cloud platforms. Adaptavist achieved Cloud Specialized Partner status in February 2022, recognising our proven success migrating operations and supporting enterprise-level use cases across the Atlassian Cloud Platform.

The Adaptavist Group is laser-focused on helping customers achieve their business goals. The benefits of migrating to the Cloud include improved agility, enhanced scalability, and increased efficiencies. However, a trusted, experienced partner with the right processes and tools is often essential to the migration process. In April 2023, Adaptavist was named Atlassian Partner of the Year 2022, or Cloud Migration Services and Migration Ready Apps.

Financial

The company increased revenue from £246,634 to £4m to account for additional support activities provided across the group, including £1.5m of exceptional costs related to M&A activities in the year, £857k of group recharge costs, and £337k of office rental costs.

Directors' statement of compliance with duty to promote the success of the Company

The company has a well-balanced management structure to ensure our collective messages reach all team members. The team's collaborative approach ensures continuous success across all sectors of the business and a hardworking and enjoyable ethos.

We stay connected through reaching out through formal and informal communication platforms. We continuously invite feedback and encourage proactive development paths for individuals and in turn the business. Our customers, reputation, suppliers and employees have been considered in the overview of the business above.

The directors have complied with the requirements of s.172 of the Companies Act 2006.

ADAPTAVIST GROUP LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Principal risks and uncertainties

The principal risks of the business are:

- 1) Dependency on the Atlassian market in its current form, including its continued growth.
- 2) Maintaining its strong company culture in the face of accelerated growth and international expansion.
- 3) Developing and attracting high-quality talent to support and execute the Group's aspirational growth plans.

The likelihood of impact and actions to mitigate risks are:

- 1) Atlassian continues to see significant, stable growth and remains a going concern. It is unlikely the Atlassian market will decline. However, our diversification of revenue streams will mitigate this.
- 2) The Group continues to invest in recruitment resources to ensure high-quality talent is identified, acquired, and retained in a timely manner to meet the company's growth plans.
- 3) Supported by a strong balance sheet and increasing revenues across all lines of business lessens the impacts. Due to the diversification of our business across different geographies, the impacts have so far been minimal.

Currency Risk

The Company is exposed to translation and transaction foreign exchange risk. Foreign exchange differences in assets and liabilities at the balance sheet date are taken to the profit and loss account of the Company.

Credit Risk

The Company's principal credit risk arises from trade debtors. In order to manage credit risk, credit limits are set for customers, determined from payment history and third-party credit references.

Liquidity risk

The Company ensures sufficient liquidity to meet foreseeable needs and seeks to invest cash into profitable areas. The Company achieves this through management's day-to-day involvement in business decisions.

Key performance indicators

The group measures its financial performance against the level of turnover, net profit achieved, and the cash balance

	2022	2021
	£	£
Turnover	4,162,643	246,634
Net profit	18,392	(651,792)
Cash	256,163	116,768

The directors are satisfied with the results of the KPI.

ADAPTAVIST GROUP LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Outlook and Future Strategy

Looking ahead, Adaptavist remains committed to our strategic objectives and anticipates continued growth and success. Our key focus areas for the upcoming year include:

Expansion into New Markets: We will explore opportunities to expand our presence in untapped markets and leverage our existing customer relationships to drive organic growth. By understanding and addressing the unique needs of different industries, we aim to diversify our revenue streams and mitigate potential risks.

Product Portfolio Enhancement: We will continue to invest in research and development to enhance our existing products and introduce new solutions that cater to evolving market demands. Our focus will be on leveraging emerging technologies such as artificial intelligence, machine learning, and automation to deliver innovative and differentiated offerings.

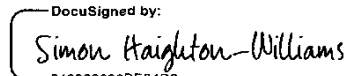
Customer-centric Approach: Our priority remains delivering value to our customers. We will deepen our understanding of their evolving needs, provide exceptional customer service, and offer tailored solutions that enable them to achieve their business objectives.

Strategic Partnerships and Alliances: We will actively seek strategic partnerships and alliances to augment our capabilities, accelerate our market reach, and drive mutually beneficial growth. Collaborating with like-minded organizations will allow us to combine strengths and deliver comprehensive solutions to our customers.

Talent Retention and Development: We will continue to invest in our employees, providing them with growth opportunities, fostering a diverse and inclusive workplace, and cultivating a strong sense of ownership and belonging. Our focus on talent retention and development will ensure that we maintain a skilled and motivated workforce.

This report was approved by the board and signed on its behalf.

DocuSigned by:



.....P483228999E8400.....
S Haighton-Williams

Director

Date:29-Jun-2023

ADAPTAVIST GROUP LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their report and the financial statements for the year ended 30 September 2022.

Directors

The directors who served during the year were:

S Houghton-Williams
J Haynes

Results and dividends

The profit for the year, after taxation, amounted to £582,622 (2021 - loss £658,459).

The directors do not recommend payment of a dividend (2021 - £Nil).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

Matters covered in the Strategic Report

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

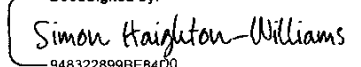
ADAPTAVIST GROUP LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

This report was approved by the board and signed on its behalf.

DocuSigned by:

948322899BE8400.....
S Houghton-Williams
Director

Date: 29-Jun-2023

ADAPTAVIST GROUP LTD

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**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL
STATEMENTS OF ADAPTAVIST GROUP LTD
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

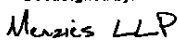
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Adaptavist Group Ltd for the year ended 30 September 2022 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at:
www.icaew.com/en/members/regulations-standards-and-guidance/.

This report is made solely to the Board of Directors of Adaptavist Group Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Adaptavist Group Ltd and state those matters that we have agreed to state to the Board of Directors of Adaptavist Group Ltd, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Adaptavist Group Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Adaptavist Group Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and profit. You consider that Adaptavist Group Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Adaptavist Group Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

DocuSigned by:

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Menzies LLP

Chartered Accountants

1st Floor
Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ

Date: 29-Jun-2023

ADAPTAVIST GROUP LTD

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Turnover	4	4,162,643	246,634
Gross profit		4,162,643	246,634
Administrative expenses		(3,725,089)	(1,462,479)
Operating profit/(loss)	5	437,554	(1,215,845)
Income from shares in group undertakings		-	564,053
Profit/(loss) before tax		437,554	(651,792)
Tax on profit/(loss)	8	145,068	(6,667)
Profit/(loss) after tax		582,622	(658,459)
Retained earnings at the beginning of the year		(629,816)	28,643
		(629,816)	28,643
Profit/(loss) for the year		582,622	(658,459)
Retained earnings at the end of the year		(47,194)	(629,816)

The notes on pages 12 to 22 form part of these financial statements.

ADAPTAVIST GROUP LTD

REGISTERED NUMBER:06878779

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible fixed assets	9	1,608,894	2,237,600
Tangible fixed assets	10	244,170	224,124
Fixed asset investments	11	817,450	128,195
		<u>2,670,514</u>	<u>2,589,919</u>
Current assets			
Debtors: amounts falling due within one year	12	5,225,739	1,319,475
Bank and cash balances		256,163	116,768
		<u>5,481,902</u>	<u>1,436,243</u>
Creditors: amounts falling due within one year	13	(7,746,571)	(4,057,871)
Net current liabilities		<u>(2,264,669)</u>	<u>(2,621,628)</u>
Total assets less current liabilities		<u>405,845</u>	<u>(31,709)</u>
Provisions for liabilities			
Deferred tax	14	(445,316)	(590,384)
		<u>(445,316)</u>	<u>(590,384)</u>
Net liabilities		<u>(39,471)</u>	<u>(622,093)</u>
Capital and reserves			
Called up share capital	15	59	59
Share premium account	16	7,664	7,664
Profit And Loss Account	16	(47,194)	(629,816)
		<u>(39,471)</u>	<u>(622,093)</u>

ADAPTAVIST GROUP LTD
REGISTERED NUMBER:06878779

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2022

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

.....94B3228998E84D9.....
S Houghton-Williams
Director

Date: 29-Jun-2023

The notes on pages 12 to 22 form part of these financial statements.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. General information

Adaptavist Group Ltd is a private company limited by shares, incorporated in England and Wales, United Kingdom. The address of the registered office is given on the company information page. The Company's principal place of business is the same as its registered office.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Adaptavist Holdings Limited as at 30 September 2022 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 4UZ.

2.3 Going concern

The Company has net liabilities of £603,701 (2021: £622,093) and has received confirmation of support from Adaptavist Holdings Limited and the wider group, in respect of intercompany loans owed not being recalled for a period of 12 months from the date of signing these financial statements.

As a result of the actions described above, in the Strategic report and the support enjoyed from the wider Adaptavist Group, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

2.4 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Revenue

Revenue is recognised when it is probable that the economic benefit will flow to the company and the benefit can be measured reliably.

Revenue is generated from intercompany sales, based on services provided. Revenue is recognised once the services have been provided.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property	-	4 years straight line
Development expenditure	-	5 years straight line

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 3 years straight line
--------------------	-------------------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have concluded that there are no significant judgements or key sources of estimation uncertainty that have a significant effect on the amount recognised in the financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Intercompany	4,162,643	246,634
	<u>4,162,643</u>	<u>246,634</u>

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022 £	2021 £
Amortisation	873,471	874,544
Exchange differences	(11,838)	(1,946)
Depreciation	244,320	158,770
Operating lease rentals	356,301	17,750
(Profit)/loss on sale of tangible fixed assets	(1,302)	3,628
	<u> </u>	<u> </u>

6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Employees	2	2
	<u> </u>	<u> </u>

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

7. Director's remuneration

The Director is remunerated for his services in another company within the Adaptavist Holdings Limited Group.

8. Taxation

	2022 £	2021 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(37,414)	6,667
Adjustments in respect of previous periods	(107,654)	-
Total deferred tax	(145,068)	6,667
Taxation on (loss)/profit on ordinary activities	(145,068)	6,667

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	437,554	(651,792)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	83,135	(123,840)
Effects of:		
Fixed asset differences	30,395	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	199,087	(4,870)
Capital allowances for year in excess of depreciation	-	242,547
Adjustments to tax charge in respect of prior periods	(107,654)	-
Dividends from UK companies	-	(107,170)
Remeasurement of deferred tax for changes in tax rates	(8,979)	-
Group relief	(345,153)	-
Transfer pricing adjustments	4,101	-
Total tax charge for the year	(145,068)	6,667

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

9. Intangible assets

	Patents £	Development expenditure £	Total £
Cost			
At 1 October 2021	3,257,231	210,584	3,467,815
Additions	244,765	-	244,765
At 30 September 2022	<u>3,501,996</u>	<u>210,584</u>	<u>3,712,580</u>
Amortisation			
At 1 October 2021	1,031,635	198,580	1,230,215
Charge for the year	861,467	12,004	873,471
At 30 September 2022	<u>1,893,102</u>	<u>210,584</u>	<u>2,103,686</u>
Net book value			
At 30 September 2022	<u>1,608,894</u>	<u>-</u>	<u>1,608,894</u>
At 30 September 2021	<u>2,225,596</u>	<u>12,004</u>	<u>2,237,600</u>

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 October 2021	392,266
Additions	273,166
Disposals	(50,269)
At 30 September 2022	<u>615,163</u>
Depreciation	
At 1 October 2021	168,142
Charge for the year	244,320
Disposals	(41,469)
At 30 September 2022	<u>370,993</u>
Net book value	
At 30 September 2022	<u>244,170</u>
<i>At 30 September 2021</i>	<u>224,124</u>

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2021	128,196
Additions	689,254
At 30 September 2022	<u>817,450</u>

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Adaptavist Ventures Ltd	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
Adaptavist Canada Limited	Suite 700, 56 Temperance St Toronto, Ontario, M5H 3V5, Canada	Ordinary	100%
Adaptavist Inc	951 Mariners Island, Boulevard Suite 300, San Mateo, CA 94404, United States of America	Ordinary	100%
Adaptavist.com Limited	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	88%
Adaptavist UK Services Ltd	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
Adaptavist Sdn. Bhd	Business Suite 19A-24-3, Level 24 Wisma UOA, No.19 Jalan Pinang 50450 Kuala Lumpur, Malaysia	Ordinary	100%
Kolekti Limited (formerly ASPV Apps Limited)	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
Salable Limited (formerly AVSTP Limited)	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
AVSTC Limited	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
HPF Studio Ltd	25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
Adaptavist GmbH	Potsdamer Platz 10, 10785 Berlin, Germany	Ordinary	100%
Go2Group Asia Limited	Suite 1701-02, 17/F, Fwd Financial Centre, 308 Des Voeux Road, Central Hong Kong, Hong Kong.	Ordinary	100%
Adaptavist OÜ	Harju maakond, Tallinn, Kesklinnlinnaosa, Narvamnt 5, 10117, Estonia	Ordinary	100%
Adaptavist Pty Ltd	c/o ABN Australia, Level 1, 8 Beulah Road, Norwood SA, 5067, South Africa	Ordinary	100%
Adaptavist SA (Pty) Ltd	No 1 Bridgeway Road, Bridgeways Precinct, Century City, Cape Town 7441, South Africa	Ordinary	100%
Gravity Works SA (Pty) Ltd	No 1 Bridgeway Road, Bridgeways Precinct, Century City, Cape Town 7441, South Africa	Ordinary	100%
Gravity Works Consulting (Pty) Limited	The Grand Olive 116, Sitari Country, Somerset West, Western Cape 7130, South Africa	Ordinary	100%
AVST Resources SA	No 1 Bridgeway Road, Bridgeways Precinct, Century City, Cape Town 7441, South Africa	Ordinary	100%

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The following are indirect subsidiaries of Adaptavist Group Limited:

Awnaba Software SL (Glorieta Fernando de Quinones s/n, Edificio Centris, B-9, 41940 Tomares, Sevilla, Spain).
Salenda SL (Avenida Fuenlabrada 77. Pit 2, 28912 Leganes, Madrid, Spain).
Go 2 Group LLC (12110 Sunset Hills Road, Suite #600, Reston, VA 20190).
Aligned Agility LLC (12110 Sunset Hills Road, Suite #600, Reston, VA 20190).

On 24 May 2022, Adaptavist.com Limited was dissolved.

On 1 February 2022, HPF Studio Limited was dissolved.

On 25 February 2022, the Company acquired 100% of the share capital in Gravity Works Consulting (Pty) Limited for cash consideration of £689,254.

On 24 December 2021, Adaptavist B.V. was incorporated with share capital of £1. 100% of the shares are held by Adaptavist Group Limited.

On 26 October 2021, Aligned Agility LLC was incorporated and is 100% owned by Adaptavist Inc. a subsidiary of Adaptavist Group Limited.

12. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	4,589,244	1,032,512
Other debtors	423,666	3,750
Prepayments and accrued income	212,829	283,213
	<u>5,225,739</u>	<u>1,319,475</u>

13. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	551,779	153,365
Amounts owed to group undertakings	6,086,556	3,897,241
Other taxation and social security	-	6,501
Accruals and deferred income	1,108,236	764
	<u>7,746,571</u>	<u>4,057,871</u>

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

14. Deferred taxation

	2022 £
At beginning of year	(590,384)
Charged to profit or loss	145,068
At end of year	(445,316)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(445,316)	(590,384)
	<u>(445,316)</u>	<u>(590,384)</u>

15. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
59 (2021 - 59) Ordinary share capital shares of £1.00 each	59	59

Each ordinary share carries voting rights and there are no restrictions on the distributions of dividends.

16. Reserves

Share premium account

Share premium account records the amount paid for share above of the par value.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

17. Commitments under operating leases

At 30 September 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	349,512	1,479
Later than 1 year and not later than 5 years	672,305	-
	<u>1,021,817</u>	<u>1,479</u>

18. Related party transactions

The Company has taken advantage of the exemption in FRS 102 from disclosing transactions with other wholly owned members of the Adaptavist Holdings Limited group.

19. Parent company

The Company is a wholly owned subsidiary undertaking of Adaptavist Holdings Limited, a company incorporated in England and Wales, whose registered office is Adaptavist 25 Wilton Road, Victoria, London, SW1V 1LW.

The parent company of the largest and smallest group for which consolidated financial statements are drawn up is Adaptavist Holdings Limited, copies of which may be obtained from Companies House, Crown Way, Cardiff, CF14 8UZ.

The ultimate controlling party throughout the year was S Haighton-Williams, by virtue of this shareholdings in Adaptavist Holdings Limited.