

Registered number: 05636614

Crisp Thinking Group Limited

Annual report and financial statements

For the year ended 31 December 2021

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Crisp Thinking Group Limited

Company information

Directors	AP Burke CC Matheson DF Carey III
Registered number	05636614
Registered office	Suite 1 Floor 1 Central Square 29 Wellington Street Leeds LS1 4DL
Independent auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

Crisp Thinking Group Limited

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Crisp Thinking Group Limited

Strategic report

for the year ended 31 December 2021

The directors present their Strategic report for Crisp Thinking Group Limited for the year ended 31 December 2021.

Principal activities and business review

The principal activity of the group and company is the development, sale and delivery of Social Media Safety as a service.

The company is a leading developer of advanced online harms identification technology - across images, videos, text and bad actor profiling complemented by a global team of intelligence analysts.

Key performance indicators

Management use a range of internal performance measures to monitor and manage the business such as financial performance versus budget, operating cash flow and product development milestones.

In order to monitor the growth of the group the key performance indicators are annual recurring revenue, turnover and operating profit.

Annual recurring revenue is defined by the company as the value of contractually guaranteed revenues annualised for contracts that are signed, excluding setup costs and non-recurring fees. The annual recurring revenue increased in the year by 17% to £30,012,720 (2020: £25,643,389).

Turnover increased in the year by 10% to £26,143,897 (2020: £23,717,837). The operating profit decreased by 235% to a loss of £2,943,825 (2020: profit £2,184,013), due to exceptional items of £1,167,265 incurred during the year and the Group's strategy of reinvestment to meet future expansion plans through marketing and personnel.

Events after the end of the reporting period

On 25 May 2022 Crisp Thinking Group Limited and subsidiaries were 100% acquired by Kroll International (UK) Limited and as a result there has been a change to the company's ultimate controlling party, see note 25.

Future developments

We continue to innovate, develop and sell increasingly sophisticated and intelligent technology solutions protecting the social media presence of global brands. Furthermore, we will continue research and development to enhance our AI capabilities further in the fast and accurate detection of online harms within user generated content.

Principal and financial risks and uncertainties

The directors meet regularly and formally review the principal risks facing the business. Our principal risks and uncertainties are as follows:

Operational Risk

The stability and robustness of our technology platform is crucial to providing the 24 hour, highly responsive service our clients require. Consequently, we have a variety of processes which ensure our systems stay functioning in the wake of an adverse event.

Financial Risk

Financial risks are managed through strict internal management controls, accurate and timely management information and KPI reporting.

Crisp Thinking Group Limited

Strategic report For the year ended 31 December 2021 (continued)

Principal risks and uncertainties (continued)

Market/Foreign Exchange Risks

Key market risks relate to the macroeconomic picture. 86% of turnover is in non-sterling currency. The risk is mitigated by monitoring FX markets internally and exchanging currency at favourable rates.

Credit Risk

Our customers are multinational entities with strong credit ratings, the risk of failure to pay is considered low by the Directors.

Liquidity Risk

Based on current forecasts the Directors do not believe the group is exposed to significant liquidity risk.

Covid-19 Risk

In March 2020 the Directors implemented a companywide work from home policy to protect employees and ensure the operations of the company continue. In 2021 the company has continued to follow this policy and government guidelines and remains successfully at ensuring that operations continue in all areas of the company.

There is still an uncertainty on the longer-term effects on the economy, but the company has experienced growth in 2021 and the Directors expect this to continue in 2022 as Social Media Safety services are still considered to be important part of customer strategies.

Russian Invasion

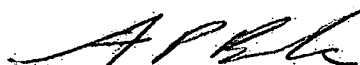
The Directors assessed the impact of the invasion on the business and don't believe the business will be impacted.

The Directors continue to review risk areas such as delayed receipts of debtors, bad debts and loss of contracts. The timely reporting and review of debtor accounts will continue.

Streamlined Energy and Carbon Report

The group and company are exempt from reporting requirements as energy usage is below 40,000kWh.

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



AP Burke
Director

Date: 30 August 2022

Crisp Thinking Group Limited

Directors' report For the year ended 31 December 2021

The directors present their report and the audited financial statements of the group and company for the year ended 31 December 2021.

Future developments

Likely future developments are discussed within the Strategic Report on page 1.

Results and dividends

The consolidated loss for the financial year, after taxation, was £1,448,205 (2020: profit £3,646,077).

During the year dividends of £nil were paid (2020: £1,009,490). The directors do not recommend that any further dividends should be declared (2020: £nil).

Directors

The directors who served during the year and up to date of signing the financial statements, unless otherwise indicated, are given below:

AP Burke
A Ferguson (Resigned 25 May 2022)
AJ Hildreth (Resigned 25 May 2022)
CC Matheson (Appointed 25 May 2022)
DF Carey III (Appointed 25 May 2022)
PW Maude (Resigned 25 May 2022)
V Sharma (Resigned 25 May 2022)

Qualifying third party indemnity provisions

A qualifying third party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, a directors' and officers' liability insurance policy was maintained by the company throughout the financial year and up to the date of signing these financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the 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, 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 group and company and of the profit or loss of the group for that period. In preparing these 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 group and company will continue in business.

Crisp Thinking Group Limited

Directors' report (continued) For the year ended 31 December 2021

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

Statement of directors' responsibilities in respect of the financial statements (continued)

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

Directors' confirmations

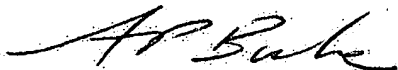
In the case of each director in office at the date that the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP will be reappointed as the company's auditors in accordance with the elective resolution passed by the company under section 485 of the Companies Act 2006.

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



AP Burke
Director

Date: 30 August 2022

Crisp Thinking Group Limited

Independent auditors' report to the members of Crisp Thinking Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Crisp Thinking Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 December 2021; the consolidated profit and loss account, the consolidated statement of changes in equity, the company statement of changes in equity and the consolidated statement of cash flows, for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Crisp Thinking Group Limited

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias in determining significant accounting estimates. Audit procedures performed by the engagement team included:

- Enquiring with management and those charged with governance to understand the relevant laws and regulations applicable to the group and company, and their assessment of fraud related risks;
- Evaluation of management's controls designed to prevent and detect fraudulent financial reporting;

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- Identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations that could impact revenue and earnings before interest, tax, depreciation and amortisation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the provision against trade debtors, the assumptions used in the calculation of the R&D claim and the calculation of the accruals and provisions; and
- Reviewing financial statement disclosures and testing to supporting documentation where appropriate to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Elizabeth Ross-Jones (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
31 August 2022

Crisp Thinking Group Limited

Consolidated Profit and loss account for the year ended 31 December 2021

		2021	2020
	Note	£	£
Turnover	5	26,143,897	23,717,837
Operating expenses	6	(27,920,457)	(21,533,824)
Operating (Loss)/Profit before exceptional items		(1,776,560)	2,184,013
Exceptional items	7	(1,167,265)	-
Operating (Loss)/Profit before interest and taxation		(2,943,825)	2,184,013
Interest receivable and similar income		3,442	10,918
Interest payable and similar expenses	10	(36,367)	(89,121)
(Loss)/Profit before tax		(2,976,750)	2,105,810
Taxation	11	1,528,545	1,540,267
(Loss)/Profit for the financial year		(1,448,205)	3,646,077

The results for the current and prior year derive from continuing activities.

The company has no items of other comprehensive income for the current or preceding year. Therefore, no separate statement of other comprehensive income has been presented.

The notes on pages 13 to 28 form part of these financial statements.

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Consolidated and Company Balance sheets as at 31 December 2021

	Note	Group		Company	
		As at 31st December		As at 31st December	
		2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	12	926,399	1,021,807	877,029	989,662
Investments	13	-	-	6	6
		<u>926,399</u>	<u>1,021,807</u>	<u>877,035</u>	<u>989,668</u>
Current assets					
Debtors: amounts falling due within one year	14	6,718,353	5,123,726	7,031,043	7,538,567
Cash at bank and in hand		4,838,310	5,320,352	2,370,281	1,993,338
		<u>11,556,663</u>	<u>10,444,078</u>	<u>9,401,324</u>	<u>9,531,905</u>
Creditors: amounts falling due within one year	15	(6,190,420)	(3,864,367)	(4,223,033)	(2,970,106)
Net current assets		<u>5,366,243</u>	<u>6,579,711</u>	<u>5,178,291</u>	<u>6,561,799</u>
Total assets less current liabilities		<u>6,292,642</u>	<u>7,601,518</u>	<u>6,055,326</u>	<u>7,551,467</u>
Creditors: amounts falling due after more than one year	16	(140,156)	(284,836)	(140,156)	(284,836)
Provisions for liabilities					
Deferred tax	18	(76,285)	(70,912)	(76,285)	(70,912)
Net assets		<u>6,076,201</u>	<u>7,245,770</u>	<u>5,838,885</u>	<u>7,195,719</u>
Capital and reserves					
Called up share capital	20	5,142	4,917	5,142	4,917
Capital redemption reserve		3	-	3	-
Share premium account		285,359	-	285,359	-
Profit and loss account		5,814,121	7,272,826	5,548,381	7,190,802
Translation reserve		(28,424)	(31,973)	-	-
Total equity		<u>6,076,201</u>	<u>7,245,770</u>	<u>5,838,885</u>	<u>7,195,719</u>

In accordance with the exemption allowed by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account, however the company has made a loss for the financial year of £1,631,921 (2020: profit £3,561,273).

The notes on pages 13 to 28 form part of these financial statements. The financial statements of Crisp Thinking Group Limited, registration number 05636614, on pages 8 to 28 were approved by the board of directors and were signed on its behalf by:



AP Burke
Director

Date: 30 August 2022

Crisp Thinking Group Limited

Consolidated statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Capital redemption reserve	Share premium account	Profit and loss account	Translation reserve	Total Equity
	£	£	£	£	£	£
At 1 January 2021	4,917	-	-	7,272,826	(31,973)	7,245,770
Comprehensive expense for the year						
Loss for the financial year	-	-	-	(1,448,205)	-	(1,448,205)
Issue of shares	228	-	285,359	-	-	285,587
Purchase of own shares	(3)	3	-	(10,500)	-	(10,500)
Translation adjustment	-	-	-	-	3,549	3,549
At 31 December 2021	5,142	3	285,359	5,814,121	(28,424)	6,076,201

Consolidated statement of changes in equity for the year ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Translation reserve	Total Equity
	£	£	£	£	£
At 1 January 2020	4,917	6,258,380	(1,622,141)	(30,359)	4,610,797
Comprehensive income for the year					
Profit for the financial year	-	-	3,646,077	-	3,646,077
Capital reduction	-	(6,258,380)	6,258,380	-	-
Dividend paid	-	-	(1,009,490)	-	(1,009,490)
Translation adjustment	-	-	-	(1,614)	(1,614)
At 31 December 2020	4,917	-	7,272,826	(31,973)	7,245,770

Crisp Thinking Group Limited

Company statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Capital redemption reserve	Share premium account	Profit and loss account	Total Equity
	£	£	£	£	£
At 1 January 2021	4,917	-	-	7,190,802	7,195,719
Comprehensive expense for the year Loss for the financial year	-	-	-	(1,631,921)	(1,631,921)
Issue of shares	228	-	285,359	-	285,587
Purchase of own shares	(3)	3	-	(10,500)	(10,500)
At 31 December 2021	5,142	3	285,359	5,548,381	5,838,885

Company statement of changes in equity for the year ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total Equity
	£	£	£	£
At 1 January 2020	4,917	6,258,380	(1,619,361)	4,643,936
Comprehensive income for the year				
Profit for the financial year	-	-	3,561,273	3,561,273
Capital reduction	-	(6,258,380)	6,258,380	-
Dividend paid	-	-	(1,009,490)	(1,009,490)
At 31 December 2020	4,917	-	7,190,802	7,195,719

Crisp Thinking Group Limited

Consolidated Statement of cash flows For the year ended 31 December 2021

	2021	2020
	£	£
Cash flows from operating activities		
(Loss)/Profit for the financial year	(1,448,205)	3,646,077
Adjustments for:		
Depreciation of tangible assets	430,573	344,359
Loss on disposal of fixed assets	178	1,041
Interest payable	36,367	89,121
Interest receivable	(3,442)	(10,918)
Purchase of own shares	(10,500)	-
Taxation credit	(1,528,545)	(1,540,267)
Increase in debtors	(596,184)	(1,280,877)
Increase in creditors	2,168,380	21,504
Net cash (used in)/generated from operating activities	(951,378)	1,270,040
Taxation received	821,062	2,543,337
Net cash (used in)/generated from operating activities	(130,316)	3,813,377
Cash flows used in investing activities		
Purchase of tangible fixed assets	(339,343)	(289,443)
Interest received	3,442	10,918
Proceeds from sale of fixed asset disposals	4,000	-
Net cash used in investing activities	(331,901)	(278,525)
Cash flows from financing activities		
Interest paid	(36,367)	(89,121)
Net cash generated/(used in) from financing activities	(36,367)	(89,121)
Net (decrease)/increase in cash and cash equivalents	(498,584)	3,445,731
Cash and cash equivalents at beginning of year	5,297,029	1,852,912
Effects of currency translation on cash and cash equivalents	3,549	(1,614)
Cash and cash equivalents at end of year	4,801,994	5,297,029
Cash and cash equivalents at end of year comprise:		
Cash at bank	4,838,310	5,320,352
Bank overdrafts	(36,316)	(23,323)
	4,801,994	5,297,029

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

1. General information

The principal activity of Crisp Thinking Group Limited ('the company') during the year was the development, sale and delivery of Social Media Safety as a service.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Suite 1, Floor 1, Central Square, 29 Wellington Street, Leeds, England, LS1 4DL.

2. Statement of compliance

The Group and individual financial statements of Crisp Thinking Group Limited have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

3.1 Basis of preparation of financial statements

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of the 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 are estimates are significant to the financial statements disclosed in note 4.

The company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the Group's products; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

3. Accounting policies (continued)

3.2. Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in its individual 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 33 Related Party Disclosures paragraph 33.7.

3.3 Foreign currency

The Group financial statements are presented in pound sterling. The Company's functional and presentation currency is the pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into pound sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

3.4 Turnover

Turnover represents the amount receivable for services provided in the period net of discounts allowed by the company and value added taxes. Contracted services are recognised over the period which they relate to on a straight-line basis. Turnover relating to the setup of services are recognised in the period the contract commences.

3.5 Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

3.6 Interest receivable and similar income

Interest receivable is recognised in the profit and loss account using the effective interest method.

3.7 Interest payable and similar charges

Interest payable is charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument and are subsequently amortised to the profit and loss account.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

3. Accounting policies (continued)

3.8 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and amounts owed to and from group undertakings.

Debt instruments, like loans, are initially measured at the present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

The company's financial assets measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Forward foreign exchange contracts and derivatives are not basic financial instruments. The company has entered into contracts involving the rights to buy and sell currencies at certain future dates as a hedge against the company's foreign exchange exposure. These contracts have no initial cost; but a positive or negative fair value will accrue from day to day as exchange rates change. Changes in the fair value of these contracts are recognised in the profit and loss account as gains or losses in foreign exchange.

3.9 Tangible 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:

Leasehold improvements	Straight line over 5 - 6 years
Computer equipment	33%
Furniture and fixtures	25%

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 the profit and loss.

Repairs and maintenance are charged to profit and loss during the period in which they are incurred.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

3. Accounting policies (continued)

3.10 Investments

Investments in subsidiaries are initially measured at cost and subsequently stated at cost less accumulated impairment, if required.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

3.11 Debtors

Debtors are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets, if not they are presented as non-current assets.

3.12 Borrowing costs

All borrowing costs are recognised in the profit or loss in the period in which they are incurred.

3.13 Leased assets

Leases of assets that transfer all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease as assets at the fair value of the leased assets. Assets are depreciated over their estimated useful life.

The capital element of the lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayments and finance charge on a constant basis.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payment under operating leases are charged to profit and loss as incurred.

3.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within current liabilities.

3.15 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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 balance sheet date in the countries where the company operates and generates income.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

3. Accounting policies (continued)

3.16 Current and deferred taxation (continued)

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3.17 Research and development

Research and development costs are written off to the profit and loss account as incurred.

3.18 Related party transactions

The company discloses transactions with related parties. Where appropriate, transactions of a similar nature are aggregated.

3.19 Employee benefits

The Company operates a defined pension contribution plan for its employees under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

3.20 Share based payments

The company issues equity-settled share-based payments to certain employees (including directors). Equity-settled share based payments are measured at fair value at the date of the grant.

3.20 Provisions and contingencies

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation.

Contingent liabilities arise as a result of past events when it is not probable that there will be an outflow of resources or when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities and contingent assets are not recognised, but contingent liabilities are disclosed unless the probability of an outflow of resources is remote and contingent assets are disclosed when an inflow of resources is probable.

3.21 Share capital

Ordinary shares are classed as equity.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

The Directors do not consider there to be any significant judgements or key sources of estimation uncertainty within the financial statements, judgements are made relating to provisions against accounts receivable, inter-company recoverability and the useful life of tangible fixed assets.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

5. Turnover

	2021	2020
	£	£
Turnover	<u>26,143,897</u>	<u>23,717,837</u>

90% of the company's turnover (2020: 92%) is attributable to geographical markets outside the United Kingdom.

UK	10% (2020: 8%)
Europe	11% (2020: 15%)
Rest of the world	79% (2020: 77%)

6. Operating expenses

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

	2021	2020
	£	£
Staff Costs (note 9)	15,687,990	11,553,293
Depreciation charge for the year		
Owned assets	300,566	214,352
Assets held under finance lease contracts	130,007	130,007
Foreign exchange losses	127,497	701,406
Other operating expenses	11,551,647	8,682,743
Fees payable to the Company's auditors and their associates for:		
Audit of financial statements	83,500	77,000
Other services	39,250	175,023
	<u>27,920,457</u>	<u>21,533,824</u>

7. Exceptional items

	2021	2020
	£	£
Costs relating to sale of the group	<u>1,167,265</u>	-
	<u>1,167,265</u>	-

During the year, the group made plans to proceed with a sale of Crisp Thinking Group Limited and the subsidiary undertakings. Exceptional costs incurred in connection with this totalled £1,167,265 (2020: £nil).

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

8. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	<u>1,144,751</u>	<u>1,068,304</u>

2 directors (2020: 2) were part of a long-term pension scheme.

The highest paid director's emoluments were £324,642 (2020: £276,680).

The key management of the company comprises only the directors, whose remuneration is given above.

9. Employees

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

	2021	2020
	No.	No.
Administrative staff	196	143
Development staff	33	26
Sales staff	4	4
	<u>233</u>	<u>173</u>

Staff costs during the year:

	2021	2020
	£	£
Wages and salaries	13,915,571	10,242,864
Social security costs	1,317,832	993,739
Other pension costs	454,587	316,690
	<u>15,687,990</u>	<u>11,553,293</u>

10. Interest payable and similar expenses

	2021	2020
	£	£
Finance lease interest	36,016	67,162
Other interest	351	21,959
	<u>36,367</u>	<u>89,121</u>

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

11. Taxation

	2021	2020
	£	£
Corporation tax		
Current tax on (loss)/profit for the year	(1,594,208)	(881,352)
Adjustment in respect of previous periods	60,290	(618,659)
Total current tax	<u>(1,533,918)</u>	<u>(1,500,011)</u>
Deferred tax		
Origination and reversal of timing differences	(11,485)	(53,335)
Changes to tax rates	18,308	13,079
Adjustment in respect of previous periods	(1,450)	-
Total deferred tax	<u>5,373</u>	<u>(40,256)</u>
Tax on (loss)/profit	<u>(1,528,545)</u>	<u>(1,540,267)</u>

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021	2020
	£	£
(Loss)/Profit before tax	<u>(2,976,750)</u>	<u>2,105,810</u>
(Loss)/Profit before tax multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(565,583)	400,104
Effects of:		
Expenses not deductible for tax purposes	1,566,226	1,113,865
Income not taxable	(3,066,184)	(3,073,101)
Deductible expenditure including R&D relief	(1,594,208)	(532,078)
Losses surrendered for R&D tax credit	2,088,962	1,154,875
Tax rate changes	18,308	13,079
Utilisation of unrecognised NOL's	(34,906)	-
Adjustment from previous period	58,840	(617,011)
Total tax credit for the year	<u>(1,528,545)</u>	<u>(1,540,267)</u>

Factors that may affect future tax charges

Deferred taxes at the balance sheet date have been measured using these enacted tax rates.

At Budget 2021, the government announced that the Corporation Tax main rate for the year starting 1 April 2022 would remain at 19%.

From 1 April 2023 the main rate of Corporation Tax will remain at 19% for Companies with chargeable profits of £50,000 or below, otherwise Corporation Tax will increase to 25% with marginal relief available for chargeable profits between £50,001 and £250,000.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

12. Tangible assets

	Leasehold improvements	Furniture and fittings	Computer equipment	Total
Group	£	£	£	£
Cost or valuation				
At 1 January 2021	785,814	318,976	708,004	1,812,794
Additions	-	5,011	334,332	339,343
Disposals	-	(15,334)	(40,963)	(56,297)
At 31 December 2021	785,814	308,653	1,001,373	2,095,840
Accumulated depreciation				
At 1 January 2021	328,062	108,352	354,573	790,987
Charge for the year	147,661	43,575	239,337	430,573
Disposals	-	(15,334)	(36,785)	(52,119)
At 31 December 2021	475,723	136,593	557,125	1,169,441
Net book value				
At 31 December 2021	310,091	172,060	444,248	926,399
At 31 December 2020	457,752	210,624	353,431	1,021,807

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

12. Tangible assets (continued)

	Leasehold improvements	Furniture and fittings	Computer equipment	Total
Company	£	£	£	£
Cost or valuation				
At 1 January 2021	758,647	318,976	668,423	1,746,046
Additions	-	5,011	300,753	305,764
Disposals	-	(15,334)	(18,868)	(34,202)
At 31 December 2021	758,647	308,653	950,308	2,017,608
Accumulated depreciation				
At 1 January 2021	321,979	108,352	326,053	756,384
Charge for the year	142,382	43,576	228,261	414,219
Disposals	-	(15,334)	(14,690)	(30,024)
At 31 December 2021	464,361	136,594	539,624	1,140,579
Net book value				
At 31 December 2021	294,286	172,059	410,684	877,029
At 31 December 2020	436,668	210,624	342,370	989,662

Finance lease agreements

Included within the closing net book value is £284,076 (2020: £414,083) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £130,007 (2020: £130,007).

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

13. Investments

	Company	
	2021	2020
	£	£
Cost or valuation	6	6
Net book value	6	6

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Registered address
Crisp Thinking (U.S.) Inc	United States of America	Ordinary	100%	12725 SW Milliam Way, Ste. 300, Beaverton, Oregon, 97005
Crisp Thinking (UK) Limited	United Kingdom	Ordinary	100%	Suite 1, Floor 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL

14. Debtors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	3,109,101	3,190,683	-	-
Amounts owed by group undertakings	-	-	3,685,787	5,813,329
Other debtors	839,579	492,307	795,148	448,116
Prepayments and accrued income	927,131	529,458	600,650	269,674
Tax recoverable	1,842,542	911,278	1,949,458	1,007,448
	<u>6,718,353</u>	<u>5,123,726</u>	<u>7,031,043</u>	<u>7,538,567</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date for repayment and are repayable on demand.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

15. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank overdraft (note 17)	36,316	23,323	28,532	23,323
Finance Leases (note 17)	144,680	134,041	144,680	134,041
Taxation and social security	377,941	306,283	377,941	292,215
Trade creditors	974,809	622,752	970,147	622,520
Amounts owed to group undertakings	-	-	930,203	458,628
Other creditors	796,236	433,470	177,284	-
Accruals	1,889,544	1,522,265	1,594,240	1,439,379
Deferred income	1,970,894	822,233	-	-
	<u>6,190,420</u>	<u>3,864,367</u>	<u>4,223,027</u>	<u>2,970,106</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date for repayment and are repayable on demand.

16. Creditors: amounts falling due after more than one year

	Group and Company	
	2021	2020
	£	£
Finance Leases (note 17)	140,156	284,836
	<u>140,156</u>	<u>284,836</u>

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

17. Loans and other borrowings

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank overdraft	36,316	23,323	28,532	23,323
Finance Leases	284,836	418,877	284,836	418,877
	<u>321,152</u>	<u>442,200</u>	<u>313,368</u>	<u>442,200</u>

Bank overdrafts are repayable on demand.

The future minimum finance lease payments are as follows:

	Group and Company	
	2021	2020
	£	£
Not later than one year	165,975	170,057
Later than one year and not later than five years	150,786	316,761
Total gross payments	316,761	486,818
Less: finance charge	(31,925)	(67,941)
Carrying amount of liability	<u>284,836</u>	<u>418,877</u>

18. Deferred Tax

	2021	2020
	£	£
Credited to profit and loss account	5,373	40,256
Total movement during the year	<u>5,373</u>	<u>40,256</u>

The deferred tax balance is made up as follows:

	Group and Company	
	2021	2020
	£	£
Fixed asset timing differences	(76,285)	(70,912)
	<u>(76,285)</u>	<u>(70,912)</u>

The deferred tax asset on trading losses is not being recognised due to uncertainty over future utilisation of these losses. The deferred tax asset at 31 December 2021 on trading losses amounts to £529,926 (2020: £400,464).

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

19. Share based payments

Equity-settled share-based payments

The company has a share option scheme and those options are settled in equity once exercised. 5,199 (2020: 3,031) options over non-voting B ordinary shares (nominal value £0.10) have been granted to 241 employees of Crisp Thinking Group Limited and its subsidiaries. 2,554 options were granted in 2021 (2020: 2,100). During the year 386 options were cancelled or lapsed (2020: 889). The weighted exercise price is £183.00 and the earliest date an option may ordinarily be exercised is on sale. If the options remain unexercised after a period of 7 to 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest unless the directors deem the leaver a good leaver in which case some or all the grant will be retained. At year-end an assessment was carried out using the Black-Scholes model and subsequently no entries have been recorded as they are not material.

Expiry Date	Exercise Price	2021	2020
	£	No.	No.
31 December 2022	350	-	334
31 December 2023	350	495	-
31 December 2024	350	101	-
31 December 2026	350	-	506
31 December 2027	350	-	131
31 December 2030	108	3,741	2,060
31 December 2031	392	862	-
		5,199	3,031

20. Called up share capital

	Group and Company	
	2021	2020
Allotted, called up and fully paid	£	£
2,598,038 A shares of £0.001 each	2,598	2,598
890 B1 shares of £0.10 each (2020: 140 B1 shares of £0.10 each)	89	14
1,559 B2 shares of £0.10 each	156	156
1,699,365 C shares of £0.001 each	1,699	1,699
60,000 D shares of £0.01 each (2020: 45,000 D shares of £0.01 each)	600	450
	5,142	4,917

On 11 January 2021 30 B1 ordinary shares were purchased from shareholders and on 16 March 2021 780 B1 ordinary shares and 15000 D ordinary shares were issued.

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

21. Financial Instruments

The company has no interest rate derivative financial instruments 2021: (2020: none).

The group and company have the following financial instruments:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	3,109,101	3,190,683	-	-
Other debtors	839,579	492,307	795,148	448,116
	<u>3,948,680</u>	<u>3,682,990</u>	<u>795,148</u>	<u>448,116</u>
Financial Liabilities measured at amortised cost:				
Finance leases	284,836	418,877	284,836	418,877
Trade creditors	974,809	622,752	970,147	622,520
Accruals	1,889,544	1,522,265	1,594,240	1,439,379
Other creditors	796,236	433,470	177,284	-
	<u>3,945,425</u>	<u>2,997,364</u>	<u>3,026,507</u>	<u>2,480,776</u>

22. Commitments under operating leases

	2021	2020
	£	£
Not later than 1 year	402,899	401,064
Later than 1 year and not later than 5 years	660,796	1,063,695
	<u>1,063,695</u>	<u>1,464,759</u>

Crisp Thinking Group Limited

Notes to the financial statements For the year ended 31 December 2021

23. Related party transactions

In 2019 a loan was provided to AP Burke related to the purchase of shares. At the year end a balance of £210,075 (2020: £210,075) was owed.

In 2020 a loan was provided to P Maude and subsequently repaid on 28 January 2021. At the year end a balance of £nil (2020: £10,000) was owed.

During the year a loan of £100,000 was provided to P Maude. At the year end a balance including interest of £102,127 (2020: £nil) was owed.

During the year a loan was provided to V Sharma relating to the purchase of shares. At the year end a balance of £286,771 (2020: £nil) was owed.

At the year end there was an intercompany debtor balance with Crisp Thinking (UK) Ltd of £3,685,787 (2020: £5,813,329).

At the year end there was an intercompany creditor balance with Crisp Thinking (U.S.) Inc of £930,203 (2020: £458,628).

During the year fees of £126,602 (2020: £104,005) were charged to the company by Baird Capital Global Fund Management LLP. At the year end a balance of £nil (2020: £nil) was owing.

During the year there was a recharge of £25,760,015 (2020: £23,168,299) from Crisp Thinking (UK) Limited to Crisp Thinking Group Limited.

During the year there was a cost allocation of £2,496,176 (2020: £1,256,926) from Crisp Thinking Group Limited to Crisp Thinking (U.S.) Inc.

24. Controlling party

The ultimate parent undertaking as at 25 May 2022 is Kroll, LLC, a limited liability company incorporated under the laws of the State of Delaware with its registered address at c/o Corporation Service Company, 2711 Cartersville Road, Suite 400, City of Wilmington, County of New Castle, Delaware, 19808.

25. Events after the end of the reporting period

On 25 May 2022 Crisp Thinking Group Limited and subsidiaries (of which the company is part) were 100% acquired by Kroll International (UK) Limited and as a result there has been a change to the company's ultimate controlling party, see note 24.