

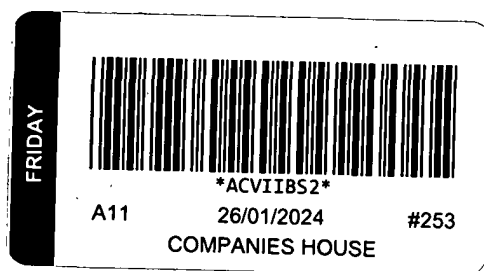
Company Registration No. 03396854 (England and Wales)

ACTICA CONSULTING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2023



ACTICA CONSULTING LIMITED

COMPANY INFORMATION

Directors

Mr P. Allen
Mr R. Davis
Mr D. Starling
Mr M. Gibson
Dr A. Porter
Dr D. Hyland
Mr R Hawtin
Mr R Cole

Secretary

Ms R. Williams

Company number

03396854

Registered office

4 Stirling House
Stirling Road
Surrey Research Park
Guildford
Surrey
GU2 7RF

Auditor

BDO LLP
Arcadia House
Maritime Walk
Southampton
SO14 3TL

ACTICA CONSULTING LIMITED

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The directors present the strategic report and financial statements for the year ended 30 June 2023.

Principal activities

The principal activities of the company are the provision of management and technical services in support of Digital Transformation. This includes architectures development and assurance, agile transformation and delivery support, cloud consultancy, cyber security and digital trust, data analytics and business intelligence, procurement support, portfolio, programme and project management and strategy, design and delivery services.

Fair review of the business

The company had a successful year. Our commitment to achieving client success on every assignment ensured we retained high levels of customer satisfaction. Our investment in capability development ensured our service remained relevant to our clients and therefore in strong demand.

We increased our overall revenue by approximately 34% and the revenue generated by our employees by approximately 27%. As we emerged out of the restrictions of the Covid pandemic, previously suppressed overhead spending has been returning to normal. Operating profit increased by approximately 49%.

Future developments

The company continues to make good progress in delivering against its growth strategy. During the year we succeeded in both:

- growing our business within our core public sector client base (central and local government, emergency services and non-departmental public bodies); and
- making significant progress in the development of our business in adjacent markets (finance, utilities and health).
- building capability, capacity and resilience in business support functions

We maintained our presence on key public sector framework contracts and won new frameworks that facilitate customer access to our newer service offerings (e.g., AI). We have maintained and developed our relationships with suitable partners (e.g., system Integrators). We have grown our resource pool by recruiting and retaining excellent consultants and architects, providing them with challenging work and supporting them with opportunities for learning and development. We have also maintained our pool of associates providing complimentary skills and surge capacity.

The outlook continues to look favourable. There are significant opportunities within our current client base. Demand remains strong for our services and our sales pipeline looks healthy. The management team remain focused on continuing to grow a robust profitable business, prioritising the delivery of high-quality services that meet or exceed our clients' expectations.

Key performance indicators

The Key Performance Indicators used to monitor company performance are associated with turnover, EBITDA, profit margin, staff utilisation and achieved charge-out rate. Turnover, EBITDA and profit margin (after tax) are detailed in the table below.

KPI	2023	2022
Turnover	£39,378,952	£29,393,513
EBITDA	£12,507,120	£8,753,072
EBITDA %	32%	30%

*EBITDA is calculated as earnings before interest, tax, depreciation and amortisation.

ACTICA CONSULTING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Principal risks and uncertainties

Risks are monitored regularly by the Board. The principal risks faced by the business together with how management mitigates these risks are set out below:

Operational risk

This is managed and mitigated through the maintenance of appropriate systems, processes and controls, and training of staff. Operational risk is further mitigated by public liability insurance.

Reputational risk

A robust project management structure ensures full transparency and communication with clients to ensure projects are managed and completed to the expected standard and within the given timescales.

Price Risk

A robust bidding process ensures that projects are priced appropriately for the scope of delivery. Whilst the market continues to be price sensitive, our deep technical expertise and commitment to quality delivery ensures that we are the consultant of choice for our clients.

Credit Risk

This is managed with robust credit control procedures rigorously enforced. At the centre of these procedures is regular informal and formal dialogue with both our clients and our internal account holders to ensure potential problems are managed proactively.

Liquidity Risk

Cash forecasts are produced monthly and cash balances and flows are managed on a daily basis to monitor liquidity, ensure our interest payable commitments are met and there are sufficient funds available for unforeseen requirements.

Going Concern

The ultimate Parent Company, Aion Topco Limited and its subsidiaries (the Group), for which Actica Consulting Limited is a wholly owned subsidiary, are funded by bank loans of £17m and shareholder loan notes of £61m. The bank loans and loan notes are due for repayment on 31 March 2029. In addition, the Group has access to a working capital facility of £1.5m until 30 September 2028, as at the year-end none of this had been drawn.

The bank loans and revolving facility are subject to quarterly financial covenant tests. If the Group does not comply with the covenants, then the lenders would have the right, but would not be obliged, to demand immediate repayment of all amounts owed.

The Directors have reviewed the Group's forecasts and projections, including assumptions regarding sales, gross margins, cost levels and the associated cash flows generated, taking into account current market conditions and recent trading. In carrying out this assessment for the next 12 months, the Directors have identified actions that can be taken if trading varies from forecast and as a result are satisfied that the Group can operate within its covenants.

Based on their forecasts and analysis as set out above, the Directors are satisfied that the Group and Company will be able to operate within the level of its facilities and comply with its covenants for a period of at least 12 months from the signing of these financial statements. The Group therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

ACTICA CONSULTING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Environmental policies

We remain committed to minimising the Company's impact on the Environment. We do this through setting objectives and targets to continually improve our environmental performance; providing training and communications to raise awareness and understanding of environmental issues, and to show their impact on the business; ensuring that all decisions regarding working practices and purchasing take environmental considerations into account; minimizing and monitoring our usage of resources and consumables; purchasing recycled or long-life products, and ensuring the use of public transport when practical is the norm and avoiding air travel.

Section 172 Statement

From 1 January 2019 legislation was introduced requiring companies to include a statement pursuant to section 172 of the Companies Act 2006.

The Board of control recognises the importance of the Group's wider stakeholders' interests when performing their duties under section 172(1) of the Companies Act and their duties to act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Group's employees;
- The need to foster the Group's business relationships with suppliers, customers, and others;
- The impact of the Group's operations on the community and the environment;
- The desirability of the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Group.

The Board considers that all their decisions are taken with the long term in mind, understanding that these decisions need to regard the interests of the Group's employees, its relationships with suppliers, customers, the communities, and the environment in which it operates.

Other information and explanations

In summary, the Directors remain optimistic about future growth opportunities and the Company continues to pursue increasing targets for revenue and profit. On behalf of the board, I would like to thank all our employees for their effort during the past year.

This report was approved by the board on 19 December 2023 and signed on its behalf.



Robin Davis (Dec 19, 2023, 3:37pm)

Mr R. Davis
Director

ACTICA CONSULTING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and audited financial statements for the year ended 30 June 2023.

Principal activity

The principal activities of the Company have been disclosed within the Strategic Report.

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 2 to 3 of these financial statements.

Results and dividends

The results for the year are set out on page 11.

Ordinary dividends of £5,668,749 declared in the previous year were paid this year. No ordinary dividends relating to this year were declared or paid.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P. Allen

Mr R. Davis

Mr D. Starling

Mr M. Gibson

Dr A. Porter

Dr D. Hyland

Mr R. Hawtin

Mr Robert Cole

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Post year end events

There are no post balance sheet events that require disclosure in the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

ACTICA CONSULTING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Statement of directors' responsibilities (continued)

In preparing these financial statements, the directors are required to:

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

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

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 Strategic 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.

Auditor

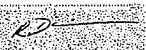
The auditor, BDO LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of disclosure to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

This report was approved by the board on 19 December 2023 and signed on its behalf.



Robin Davis (Dec 19, 2023, 3:37pm)

Mr R. Davis
Director

ACTICA CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACTICA CONSULTING LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Actica Consulting Limited ("the Company") for the year ended 30 June 2023 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

ACTICA CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACTICA CONSULTING LIMITED

Other information

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

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of Directors

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

ACTICA CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACTICA CONSULTING LIMITED

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and Global Data Protection Rules (GDPR).

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

Our procedures in respect of the above included:

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

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;

ACTICA CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACTICA CONSULTING LIMITED

-
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
 - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be inappropriate journal entries relating to revenue recognition and exertion of bias in accounting estimates and key judgements.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- We have reviewed and assessed the appropriateness of management estimates and exercised professional scepticism in considering the impact of those estimates in the financial statements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

DocuSigned by:
James Newman
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James Newman (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton, UK
Date: 19 December 2023

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

ACTICA CONSULTING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
Turnover	3	39,378,952	29,393,513
Cost of sales		(25,586,872)	(19,345,701)
Gross profit		13,792,080	10,047,812
Administrative expenses		(3,224,784)	(1,688,712)
Other operating income	6	1,895,123	-
Operating profit	7	12,462,419	8,359,100
Interest receivable and similar income	8	17,070	7,088
Change in market value of current asset investments	9	-	(88,863)
Profit before taxation		12,479,489	8,277,325
Taxation	10	(1,982,532)	2,678,679
Profit for the financial year		10,496,957	10,956,004
Other comprehensive income		-	-
Total comprehensive income for the year		10,496,957	10,956,004

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

ACTICA CONSULTING LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	12	63,634	40,191
Current assets			
Debtors	13	15,275,723	9,936,301
Investments	15	-	41,650
Cash at bank and in hand		6,982,059	6,573,662
		<u>22,257,782</u>	<u>16,551,614</u>
Creditors: amounts falling due within one year	14	<u>(4,612,304)</u>	<u>(9,379,650)</u>
Net current assets		<u>17,645,478</u>	<u>7,171,964</u>
Total assets less current liabilities		<u>17,709,112</u>	<u>7,212,155</u>
Provisions for liabilities			
Deferred tax liability	17	-	-
Net assets		<u><u>17,709,112</u></u>	<u><u>7,212,155</u></u>
Capital and reserves			
Called up share capital	18	60,000	60,000
Capital contribution reserve		364,900	364,900
Profit and loss reserves		<u>17,284,212</u>	<u>6,787,255</u>
Total equity		<u><u>17,709,112</u></u>	<u><u>7,212,155</u></u>

The financial statements were approved by the board of directors and authorised for issue on 19 December 2023 and are signed on its behalf by:



Robin Davis (Dec 19, 2023, 3:37pm)

Mr R. Davis
Director

Company Registration No. 03396854

The notes on pages 13 to 26 form part of these financial statements

ACTICA CONSULTING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

		Share capital	Capital contribution reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 July 2021		60,000	-	1,500,000	1,560,000
Year ended 30 June 2022:					
Profit and total comprehensive income for the year		-	-	10,956,004	10,956,004
Dividends	11	-	-	(5,668,749)	(5,668,749)
Share based payment	19	-	364,900	-	364,900
Balance at 30 June 2022		60,000	364,900	6,787,255	7,212,155
Year ended 30 June 2023:					
Profit and total comprehensive income for the year		-	-	10,496,957	10,496,957
Balance at 30 June 2023		60,000	364,900	17,284,212	17,709,112

Reserves

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Capital contribution reserve

The capital contribution reserve relates to share options issued by the parent company to employees of Actica Consulting Limited for which this company owes no money to its parent.

Profit and loss reserves

Profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

The notes on pages 13 to 26 form part of these financial statements

ACTICA CONSULTING LIMITED

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost. The principal accounting policies adopted are set out below. This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.
- Section 3 'Financial statement Preparation': Preparation of financial statements and related notes and disclosures.

The financial statements of the company are consolidated in the financial statements of Aion Topco Limited. The consolidated financial statements are available to the public and may be obtained from Companies House.

1.2 Going concern

As set out in the statement of directors' responsibilities, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In satisfaction of this responsibility the directors have prepared forecasts (including cash flows) for a period of at least 12 from the date of signing the financial statements and considered the company's ability to meet its liabilities as they fall due. The forecast continues to show good EBITDA performance and cash generation, underpinning the going concern basis of accounting in preparing these financial statements.

The directors have produced a detailed going concern stress test for Aion TopCo limited, which this company is a wholly owned subsidiary. The conclusion of the stress test is that the business could sustain the loss of more than 50% of EBITDA over the course of the 12 months following the date of the financial statements, without breaching current debt conditions.

ACTICA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (continued)

1.3 Turnover

Turnover is recognized to the extent that it is probable that the economic benefits will flow to the entity and can be reliably measured. Turnover represents amounts derived from the provision of services to third party customers on a time completed basis or based on the delivery of service, plus recharged disbursements, and is stated net of VAT and discounts given.

1.4 Research and development expenditure

In accordance with FRS 102 Section 18.8H, where development costs meet certain criteria they may be capitalized, which gives rise to an accounting policy choice. The directors have chosen to expense these costs in the year in which they are incurred which is permitted by FRS 102 section 18.8H.

R&D tax credits are included within other operating income within the statement of comprehensive income and are accounted for as a government grant.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	straight line over length of lease
Plant and machinery (IT equipment)	33% straight line
Plant and machinery (Office equipment)	25% reducing balance

1.6 Cash and cash equivalents

Cash is represented by cash-in-hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Current asset investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs) and subsequently measured at fair value through profit or loss.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (continued)

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Current and deferred taxation

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 balance sheet date in the countries where the Company and the Group operate and generate income.

Research and development tax credits are included within other operating income within the statement of comprehensive income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

R&D tax credits are included within other operating income within the statement of comprehensive income and are accounted for as a government grant.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as an expense and a liability to the extent of costs not paid at the year-end.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Defined contribution pension plan

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account, and once the contributions have been paid, the company has no further payment obligations.

ACTICA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (continued)

1.12 Cost of sales

Cost of sales include all wages and salaries for staff.

1.13 Dividends

Equity dividends are recognized when they become legally payable. Interim equity dividends are recognized when paid. Final equity dividends are recognized when approved by the shareholders at an annual general meeting. Dividends on shares recognized as liabilities are recognized as expenses and classified within interest payable.

1.14 Interest income

Interest income is recognised in profit or loss using the effective interest method.

1.15 Finance costs

Finance costs are charged to profit or loss 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.

1.16 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Consolidated Statement of Comprehensive Income is charged with the fair value of the goods and services received.

1.17 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Accounting policies (continued)

1.18 Valuation of investments

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are remeasured to market value at each balance sheet date. Gain and losses on remeasurement are recognised in profit and loss for the period.

Investment in listed company shares, which have been classified as current asset investment, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period

1.19 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. In preparing these financial statements, the Directors have made the following judgments:

Measurement of revenue and resulting profit recognition

The Directors exercise their judgement in assessing and estimating the measurement and timing of revenue recognition and the recognition of assets and liabilities that result from the performance of the contract. Revenue derived from contracts to provide services reflects the sales value of the work performed in the year, to the extent that the profit to be earned on the contract can be determined with reasonable certainty. The amount of revenue recognised is calculated on a time incurred basis or based on the delivery of service.

Recoverability of deferred tax asset

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets which can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. At 30 June, the group recognised a deferred tax asset of £8,146, with the majority of the brought forward deferred tax asset being utilized during the year.

2 Company Information

Actica Consulting Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The registered office is 4 Stirling House, Stirling Road, Surrey Research Park, Guildford, Surrey, United Kingdom, GU2 7RF.

ACTICA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

	2023	2022
	£	£
Turnover		
United Kingdom	39,378,952	29,393,513
	<u> </u>	<u> </u>

4 Employees

	2023	2022
	Number	Number
Directors	8	9
Administration staff	7	6
Consultants	147	116
	<u> </u>	<u> </u>
Total	162	131
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	11,230,867	9,032,053
Social security costs	1,467,873	1,119,094
Pension costs	227,409	198,213
Share based payment cost	-	364,900
	<u> </u>	<u> </u>
	12,926,148	10,714,260
	<u> </u>	<u> </u>

The share-based payment cost is non-recurring.

5 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	1,512,142	1,944,488
Company pension contributions to defined contribution schemes	20,838	14,955
	<u> </u>	<u> </u>
	1,532,980	1,959,443
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 8 (2022 - 7).

ACTICA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

5 Directors' remuneration (continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	241,068	544,095
Company pension contributions to defined contribution schemes	1,321	991
	<u>242,389</u>	<u>545,086</u>

6 Other operating income

	2023	2022
	£	£
R&D expenditure tax credit	1,895,123	-
	<u>1,895,123</u>	<u>-</u>

R&D tax credits are accounted for as a government grant.

7 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	49,500	40,000
Depreciation of owned tangible fixed assets	44,926	29,072
Operating lease charges	69,215	69,215
Share based payment cost	-	364,900
Defined contribution pension cost	227,409	198,213
	<u>391,050</u>	<u>641,400</u>

Operating profit is stated after charging R&D expenses of £3,281,795 (2022 - £3,281,795).

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	17,070	3,472
Other income from investments		
Dividends received	-	3,615
	<u>17,070</u>	<u>3,615</u>
Total income	<u>17,070</u>	<u>3,615</u>

Investment income includes the following:

Dividends from financial assets measured at fair value through profit or loss	-	3,615
	<u>-</u>	<u>3,615</u>

ACTICA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

9	Gain/(loss) on investments	2023	2022
		£	£
	Change in value of financial assets held at fair value through profit or loss	-	(88,863)

10	Taxation	2023	2022
		£	£
	Current tax		
	UK corporation tax charge/ (credits) on profits for the current period	800,644	(1,430,267)
	Adjustments in respect of prior periods		(1,500)
	Total current tax	800,644	(1,431,767)
	Deferred tax		
	Origination and reversal of timing differences	1,029,552	(959,803)
	Adjustments in respect of prior periods	(73,915)	-
	Changes in tax rates	226,251	(287,109)
	Total tax charge / (credit)	1,982,532	(2,678,679)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	12,479,489	8,277,325
Expected tax charge based on the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	2,557,771	1,572,692
Tax effect of expenses that are not deductible in determining taxable profit	3,318	(40,972)
Utilisation of tax losses (including carried forward share option deduction)	-	(4,033,750)
Adjustment to deferred tax in respect of previous periods	(73,915)	-
Impact of changes in tax rates on deferred tax	226,251	(287,109)
Group relief	(339,665)	-
Effect of revaluations of investments	-	32,695
Adjustments in respect of prior periods	-	(1,500)
Permanent capital allowances in excess of depreciation	(2,825)	(2,679)
Income not chargeable	(388,413)	-
Taxation charge / (credit) for the year	1,982,532	(2,678,679)

An increase in the main rate of corporation tax to 25% with effective from 1 April 2023 was substantially enacted in May 2021 and has been reflected in the deferred tax calculations laid out above.

The corporation tax credit for 2022 relates to a loss carry back claim as at June 2022.

ACTICA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

The R&D tax credit is cash settled and relates to the previous periods ending 30 June 2021 and 30 June 2022, for which the work was undertaken, and were claimed, during the period to 30 June 2023.

For the R&D tax credits to June 2023 these have reduced the company's taxable profits, which these profits (after the R&D claim) have been offset against available tax losses. The latter giving rise to a reduction in the deferred tax asset during the year.

		£	£
11	Dividends	2023	2022
	Equity dividends on ordinary shares	-	5,668,749
12	Tangible fixed assets		
		Leasehold property	Plant and machinery
		£	£
	Cost		
	At 1 July 2022	63,456	288,381
	Additions	-	68,369
	Disposals	-	-
	At 30 June 2023	63,456	356,750
	Depreciation and impairment		
	At 1 July 2022	63,456	248,190
	Depreciation charged in the year	-	44,926
	Eliminated in respect of disposals	-	-
	At 30 June 2023	63,456	293,116
	Carrying amount		
	At 30 June 2023	-	63,634
	At 30 June 2022	-	40,191
13	Debtors		
		2023	2022
		£	£
	Amounts falling due within one year:		
	Trade debtors	3,277,007	2,687,764
	Amount due from group undertakings	4,295,025	559,509
	Corporation tax receivable	3,269,518	2,175,039
	Prepayments and accrued income	4,380,926	3,267,626
	Other debtors	45,102	56,330
	Deferred tax asset	8,146	1,190,034
		15,275,723	9,936,301

The company has losses carried forward of £42,702 (2022 - £4,804,850) which equate to £8,146 (2022 - £1,190,034) of a deferred tax asset if fully recognised. The directors have assessed the recognition and recoverability of the deferred tax asset and have concluded it is probable that all the £4,804,850 of losses will be recovered against future taxable profits.

The R&D tax credit receivable during the year has been offset against corporation tax. This is on the basis that these will be settled net.

ACTICA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,114,994	764,212
Amounts owed to group undertakings	56,402	5,668,750
Other taxation and social security	2,131,996	1,578,643
Accruals and deferred income	<u>1,308,913</u>	<u>1,368,045</u>
	<u>4,612,304</u>	<u>9,379,650</u>

15 Current asset investments

	2023	2022
	£	£
Listed investments	-	41,650
	<u>-</u>	<u>41,650</u>

16 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>227,409</u>	<u>198,213</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

ACTICA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2023	2022
Balances: Asset/(Liabilities)	£	£
Accelerated capital allowances	(15,597)	(9,668)
Revaluations of investments	-	(1,512)
Tax losses carried forward	<u>23,743</u>	<u>1,201,214</u>
	<u><u>8,146</u></u>	<u><u>1,190,034</u></u>

	2023
Movements in the year:	£
Asset at 1 July 2022	1,190,034
Charge to profit or loss	<u>(1,181,888)</u>
Asset at 30 June 2023	<u><u>8,146</u></u>

18 Share capital

	2023	2022
Ordinary share capital	£	£
Issued and fully paid		
30,000 Ordinary A shares of £1 each	30,000	30,000
30,000 Ordinary B shares of £1 each	30,000	30,000
	<u><u>60,000</u></u>	<u><u>60,000</u></u>

Voting and dividend rights are attached to Ordinary A shares. Dividend rights are attached to Ordinary B shares.

ACTICA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

19 Share-based payment transactions

In the prior year, Actica Holdings Limited group operated an equity settled shared based remuneration scheme for key employees and directors who are employed by and deliver service to Actica Consulting Limited. The only vesting condition was that the individual remains an employee of the group over the nine year and nine month vesting period. In addition, the administrator determined the time or times that an award will vest or become exercisable. Without limiting the forgoing, the administrator of the scheme could also accelerate the vesting or exercisability of the award.

An alternative valuation method, based on the group's equity enterprise value was used to value the equity-settled share based payment as it was considered that this approach would result in materially accurate estimate of the fair value of the options granted.

The options outstanding at the beginning of the year relate the options issued during the year ended 30 June 2018 ("Tranche 3").

	2023 Number of shares	2023 Weighted average exercise price £	2022 Number of shares	2022 Weighted average exercise price £
Outstanding at the beginning of the year	-	-	10,000	36.50
Exercised during the year	-	-	(10,000)	36.50
Outstanding at the beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The number of options exercised during the year was 10,000 (2022: nil). They were exercisable at a price of £0.01 for E class ordinary shares. The remaining expense due to their grant was recognised within administration expenses in the year.

	Group 2023 £	2022 £	Company 2023 £	2022 £
Expenses recognised in the year				
Arising from equity settled share-based payment transactions	<u>-</u>	<u>364,900</u>	<u>-</u>	<u>-</u>

The capital contribution reserve of £364,900 relates to share options issued by the parent company for employees of Actica Consulting Limited for which this company owes no money.

ACTICA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

20 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	23,072	69,215
Between two and five years	-	23,072
	<u>23,072</u>	<u>92,287</u>

21 Related party transactions

The company has taken advantage of the exemption under Section 33.1A of FRS102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

Key Management

Key management personnel include all directors and senior management across the company who together have authority and responsibility for planning, directing, and controlling the activities of the company. Total compensation for key management personnel for services rendered to the company was £1,512,142 (2022 – £1,953,443). There are no balances owed to key management personnel at year end (2022 – £Nil).

Dividends

Dividends totalling £5,668,749 declared in 2022 were paid during the year. There were no dividends declared in 2023.

22 Post balance sheet events

There were no post balance sheet events.

23 Controlling party

The company's immediate parent is Actica Holdings Limited, a company incorporated in the United Kingdom.

The smallest group in which results of the company were consolidated for the year ended 30 June 2023 were that headed by Aion Bidco Limited. The consolidated accounts for this company are available to the public and may be obtained from Companies House.

The largest group in which results of the company were consolidated for the year ended 30 June 2023 were that headed by of Aion Topco Limited. The consolidated accounts for this company are available to the public and may be obtained from Companies House.

There is no ultimate controlling party, however Sovereign Capital Partners LLP and Athica Limited are regarded as persons with significant control.