

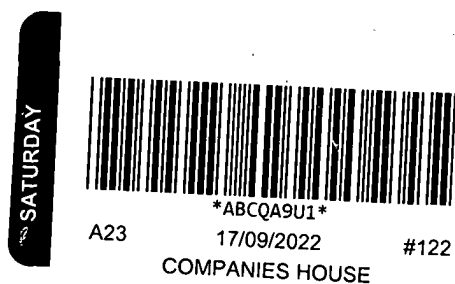
Company Registration No. 05392085 (England and Wales)

VERO SCREENING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021



tc accounts · tax · legal · financial planning

The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

VERO SCREENING LIMITED

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VERO SCREENING LIMITED

COMPANY INFORMATION

Directors Mr R Emson
Mrs R Morgan
Mr S Woodrough
Mr H Meakin
Mr S Marshall
Mr R Evans

Secretary S Marshall

Company number 05392085

Registered office Princes House
Queens Road
Brighton
East Sussex
BN 1 3XB

Auditor TC Group
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

VERO SCREENING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

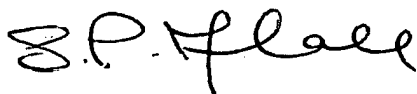
Fair review of the business

International lockdowns and associated measures designed to contain COVID 19 caused major business interruption in 2020. However, the discovery of an effective vaccination combined with widespread fiscal support from governments, led to a strong and sustained bounce back in economic activity in 2021. This had a commensurate impact on levels of recruitment and demand for screening services amongst Vero's diversified client base in the UK and internationally. Sharply increased demand from existing clients, combined with a number of significant enterprise client wins resulted in another exceptional year of growth for Vero screening with revenue increasing by over 50% compared to 2020.

The pandemic and associated government interventions resulted in a transition to remote working for most service based businesses in the UK. Vero achieved this without interruption and, following the downturn in 2020, scaled its activity significantly during 2021. Despite the relaxation of Government guidelines, Vero continues to adopt a hybrid model which provides flexibility between remote and office based working for all its staff, whilst maintaining the highest levels of client service.

Vero has emerged from the exceptionally difficult circumstances of the past two years with a significantly stronger business, both operationally and financially. Currently there are historically record levels of work vacancies in the UK and despite the headwinds in the economy, it is anticipated that growth in screening for candidates will continue during 2022. The Board of Vero therefore remains confident that the business is well placed to benefit from the post pandemic economic recovery.

On behalf of the board



Mr S Marshall
Director

7 June 2022

VERO SCREENING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of employee background screening.

Directors

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

Mr R Emson

Mrs R Morgan

Mr S Woodrough

Mr H Meakin

Mr S Marshall

Mr R Evans

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £750,000. The directors do not recommend payment of a further dividend.

Auditor

TC Group

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr S Marshall

Director

7 June 2022

VERO SCREENING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the annual 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. 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;
- 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.

VERO SCREENING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VERO SCREENING LIMITED

Opinion

We have audited the financial statements of Vero Screening Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

VERO SCREENING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VERO SCREENING LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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 and the directors' report.

We have nothing to report in respect of the following matters where 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

VERO SCREENING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VERO SCREENING LIMITED

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

VERO SCREENING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VERO SCREENING LIMITED

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.

TC Group

Jonathan Aikens FCA (Senior Statutory Auditor)

For and on behalf of TC Group

Statutory Auditor

10 June 2022

Office: Steyning

VERO SCREENING LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
	Notes	£	£
Turnover	3	13,345,103	8,781,734
Cost of sales		(2,717,831)	(1,818,783)
Gross profit		<u>10,627,272</u>	<u>6,962,951</u>
Administrative expenses		(7,765,902)	(6,458,976)
Other operating income		-	594,507
Operating profit	4	<u>2,861,370</u>	<u>1,098,482</u>
Interest receivable and similar income	6	-	1,787
Profit before taxation		<u>2,861,370</u>	<u>1,100,269</u>
Tax on profit	7	(527,158)	(209,028)
Profit for the financial year		<u><u>2,334,212</u></u>	<u><u>891,241</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 24 form part of these financial statements

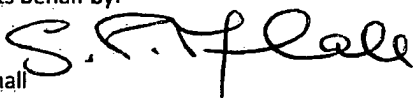
VERO SCREENING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	9		825,295		532,327
Tangible assets	10		188,072		280,554
			<u>1,013,367</u>		<u>812,881</u>
Current assets					
Debtors	11	3,249,117		1,981,919	
Cash at bank and in hand		2,525,295		2,326,502	
			<u>5,774,412</u>		<u>4,308,421</u>
Creditors: amounts falling due within one year	12	<u>(2,166,785)</u>		<u>(2,077,477)</u>	
Net current assets			<u>3,607,627</u>		<u>2,230,944</u>
Total assets less current liabilities			<u>4,620,994</u>		<u>3,043,825</u>
Provisions for liabilities	8		<u>(36,039)</u>		<u>(43,082)</u>
Net assets			<u>4,584,955</u>		<u>3,000,743</u>
Capital and reserves					
Called up share capital	15		139		139
Share premium account			224,861		224,861
Profit and loss reserves			4,359,955		2,775,743
Total equity			<u>4,584,955</u>		<u>3,000,743</u>

The financial statements were approved by the board of directors and authorised for issue on 7 June 2022 and are signed on its behalf by:


Mr S Marshall
Director

Company Registration No. 05392085

The notes on pages 13 to 24 form part of these financial statements

VERO SCREENING LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Share capital £	Share premium loss account £	Profit and loss reserves £	Total £
Balance at 1 January 2020		139	224,861	2,434,502	2,659,502
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	891,241	891,241
Dividends	8	-	-	(550,000)	(550,000)
Balance at 31 December 2020		139	224,861	2,775,743	3,000,743
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	2,334,212	2,334,212
Dividends	8	-	-	(750,000)	(750,000)
Balance at 31 December 2021		139	224,861	4,359,955	4,584,955

The notes on pages 13 to 24 form part of these financial statements

VERO SCREENING LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	17		1,944,202		1,726,779
Income taxes paid			(96,070)		(400,659)
			<u>1,848,132</u>		<u>1,326,120</u>
Investing activities					
Purchase of intangible assets		(332,200)		(160,817)	
Proceeds on disposal of intangibles		(122,434)		-	
Purchase of tangible fixed assets		(122,141)		(115,399)	
Proceeds on disposal of tangible fixed assets		122,434		300	
Interest received		-		1,787	
			<u>(454,341)</u>		<u>(274,129)</u>
Financing activities					
Dividends paid		(1,194,998)		(58,002)	
			<u>(1,194,998)</u>		<u>(58,002)</u>
Net cash used in financing activities					
			<u>198,793</u>		<u>993,989</u>
Net increase in cash and cash equivalents					
Cash and cash equivalents at beginning of year			2,326,502		1,332,513
			<u>2,525,295</u>		<u>2,326,502</u>
Cash and cash equivalents at end of year					
			<u><u>2,525,295</u></u>		<u><u>2,326,502</u></u>

The notes on pages 13 to 24 form part of these financial statements

VERO SCREENING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Vero Screening Limited is a private company limited by shares incorporated in England and Wales. The registered office is Princes House, Queens Road, Brighton, East Sussex, BN 1 3XB.

1.1 Accounting convention

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 pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1 Accounting policies

(Continued)

1.6 Intangible fixed assets other than goodwill

Intangible assets also include software development costs which are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software development	3 and 5 years
----------------------	---------------

1.7 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 recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	25% straight line
Fixtures and fittings	25% straight line
Computers	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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.

1.10 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 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 the opinion of the directors there are no significant judgements or areas of estimation uncertainty.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Screening income	13,345,103	8,781,734
	<u> </u>	<u> </u>
	2021	2020
	£	£
Other significant revenue		
Interest income	-	1,787
Grants received	-	594,507
	<u> </u>	<u> </u>

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	11,953	4,496
Government grants	-	(594,507)
Depreciation of owned tangible fixed assets	91,946	82,403
Loss/(profit) on disposal of tangible fixed assets	243	(12)
Amortisation of intangible assets	161,666	120,253
	<u> </u>	<u> </u>

VERO SCREENING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

2021 Number	2020 Number
196	181
<u>196</u>	<u>181</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	5,572,195	4,597,744
Social security costs	515,386	406,591
Pension costs	122,456	88,038
	<u>6,210,037</u>	<u>5,092,373</u>

6 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	-	1,787
	<u>-</u>	<u>1,787</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	1,787
	<u>-</u>	<u>1,787</u>

7 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	534,201	200,570
	<u>534,201</u>	<u>200,570</u>

VERO SCREENING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Taxation	(Continued)	
	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	(7,043)	8,458
	<u> </u>	<u> </u>
Total tax charge	<u>527,158</u>	<u>209,028</u>

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:

	2021	2020
	£	£
Profit before taxation	2,861,370	1,100,269
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	543,660	209,051
Tax effect of expenses that are not deductible in determining taxable profit	(30,522)	(22,826)
Permanent capital allowances in excess of depreciation	(27,123)	(24,160)
Depreciation on assets not qualifying for tax allowances	48,186	38,505
Deferred tax adjustments in respect of prior years	(7,043)	8,458
	<u> </u>	<u> </u>
Taxation charge for the year	<u>527,158</u>	<u>209,028</u>

8 Dividends	2021	2020
	£	£
Final paid	750,000	550,000
	<u> </u>	<u> </u>

VERO SCREENING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Intangible fixed assets

	Goodwill	Software development	Total
	£	£	£
Cost			
At 1 January 2021	328,594	748,679	1,077,273
Additions - internally developed	-	332,200	332,200
Transfers	-	126,959	126,959
	<hr/>	<hr/>	<hr/>
At 31 December 2021	328,594	1,207,838	1,536,432
	<hr/>	<hr/>	<hr/>
Amortisation and impairment			
At 1 January 2021	328,594	216,352	544,946
Amortisation charged for the year	-	161,666	161,666
Transfers	-	4,525	4,525
	<hr/>	<hr/>	<hr/>
At 31 December 2021	328,594	382,543	711,137
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2021	-	825,295	825,295
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2020	-	532,327	532,327
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

VERO SCREENING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2021	258,192	126,336	349,737	734,265
Additions	7,139	827	114,175	122,141
Disposals	-	-	(37,340)	(37,340)
Transfers	-	-	(126,959)	(126,959)
At 31 December 2021	265,331	127,163	299,613	692,107
Depreciation and impairment				
At 1 January 2021	185,773	102,348	165,590	453,711
Depreciation charged in the year	20,146	10,400	61,400	91,946
Eliminated in respect of disposals	-	-	(37,097)	(37,097)
Transfers	-	-	(4,525)	(4,525)
At 31 December 2021	205,919	112,748	185,368	504,035
Carrying amount				
At 31 December 2021	59,412	14,415	114,245	188,072
At 31 December 2020	72,419	23,988	184,147	280,554

11 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	2,602,940	1,468,071
Other debtors	123,044	135,541
Prepayments and accrued income	523,133	378,307
	3,249,117	1,981,919

VERO SCREENING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	360,091	302,143
Corporation tax	534,201	96,070
Other taxation and social security	891,376	903,221
Other creditors	37,875	88,960
Accruals and deferred income	343,242	687,083
	<u>2,166,785</u>	<u>2,077,477</u>

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2021	2020
	£	£
Balances:		
Accelerated capital allowances	<u>36,039</u>	<u>43,082</u>
Movements in the year:		2021
		£
Liability at 1 January 2021		43,082
Credit to profit or loss		(7,043)
Liability at 31 December 2021		<u>36,039</u>

14 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>122,456</u>	<u>88,038</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.

VERO SCREENING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Share capital

	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
56,500 Ordinary shares of 0.1p each	57	57
82,390 Ordinary A shares of 0.1p each	82	82
	<u>139</u>	<u>139</u>
	<u><u>139</u></u>	<u><u>139</u></u>

16 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:

	2021	2020
	£	£
Within one year	245,128	245,128
Between two and five years	980,512	968,000
In over five years	712,706	968,000
	<u>1,938,346</u>	<u>2,181,128</u>
	<u><u>1,938,346</u></u>	<u><u>2,181,128</u></u>

17 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	2,334,212	891,241
Adjustments for:		
Taxation charged	527,158	209,028
Investment income	-	(1,787)
Loss/(gain) on disposal of tangible fixed assets	243	(12)
Amortisation and impairment of intangible assets	161,666	120,253
Depreciation and impairment of tangible fixed assets	91,946	82,403
Movements in working capital:		
Increase in debtors	(1,267,198)	(47,384)
Increase in creditors	96,175	473,037
	<u>1,944,202</u>	<u>1,726,779</u>
Cash generated from operations	<u><u>1,944,202</u></u>	<u><u>1,726,779</u></u>

VERO SCREENING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Analysis of changes in net funds

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	2,326,502	198,793	2,525,295
	<u> </u>	<u> </u>	<u> </u>