

Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 31 December 2023

for

NV5 Geospatial Solutions UK Limited

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for the Year Ended 31 December 2023**

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NV5 Geospatial Solutions UK Limited

Company Information
for the Year Ended 31 December 2023

DIRECTORS:	R Tong D Wright
REGISTERED OFFICE:	Beechey House 87 Church Street Crowthorne Berkshire RG45 7AW
REGISTERED NUMBER:	03608565 (England and Wales)
SENIOR STATUTORY AUDITOR:	Yvonne Miles FCCA
AUDITORS:	PKB Accountants Limited Chartered Certified Accountants Statutory Auditor Beechey House 87 Church Street Crowthorne Berkshire RG45 7AW

Strategic Report
for the Year Ended 31 December 2023

The directors present their strategic report for the year ended 31 December 2023.

REVIEW OF BUSINESS

In the year to 31st December 2023, NV5 GS UK topline revenue was consistent with 2022 with slightly decreased below the £1,5m.

New License revenue was down by 41 % compared with 2022, but this was offset by a 21% increase in consulting service revenue. The UK consultants continue to support delivery of a key project in Germany. The project is ongoing, and we expect the UK to continue to provide support going forward.

Maintenance revenue was down by 20% in 2023 but this was expected due to the reduction of new license sales in 2022 and 2023.

Marketing activities were up slightly compared to 2022 but still within budget.

Overheads increased by 10% in 2023 in line with inflation. Salaries increased by 18%, which was due to promotions and annual merit increases. Rent was 8% higher than 2022 because of annual rent increases which are in line with inflation as part of the lease agreement.

On the 6th of April 2023 NV5 Global Inc. completed the Acquisition of L3Harris Technologies, Inc. business which included L3Harris Geospatial Solutions UK Ltd.

NV5 Global, Inc. (the "Company" or "NV5") (Nasdaq: NVEE), a provider of technology, conformity assessment, and consulting solutions, announced the closing of its acquisition of L3Harris Technologies, Inc.'s Visual Information Solutions commercial geospatial technology and software business ("VIS"). First announced in December, the acquisition has received regulatory approvals and enhances NV5's position as North America's premiere provider of geospatial data solutions, accompanying the acquisition of Axim Geospatial completed earlier this year.

"This acquisition supports NV5's expansion in a subscription-based geospatial product and service model and strengthens our role in supporting the nation's defense and intelligence communities through geospatial information management and analytics," said Dickerson Wright, PE, Chairman and CEO of NV5. "As the only provider of software solutions to analyze over 200 geospatial data types and comprehensive in-house LiDAR, topobathymetric LiDAR, and full ocean depth sonar capabilities, NV5 has built a distinct competitive advantage and robust platform to support accelerated organic growth."

The VIS acquisition includes 16 U.S. Patents for geospatial data analytics. NV5 will also receive ownership of an additional 13 U.S. and non-U.S. Trademark Registrations for leading geospatial software applications with approximately 500,000 global users. These software products include prominent applications such as ENVI, IDL, Jagwire, Amplify, and Helios, which are relied upon by the United States Department of Defense and federal civilian agencies for the analysis and management of geospatial data.

Strategic Report
for the Year Ended 31 December 2023

About NV5:

NV5 Global, Inc. (NASDAQ: NVEE) is a provider of technology, conformity assessment, and consulting solutions for public and private sector clients supporting sustainable infrastructure, utility, and building assets and systems. The Company focuses on multiple verticals: testing, inspection & consulting, infrastructure engineering, utility services, buildings & owner representation, environmental health sciences, and geospatial technology services to deliver innovative, sustainable solutions to complex issues and improve lives in our communities. NV5 operates out of more than 100 offices nationwide and abroad.

We continue to invest in long-term strategic goals. The objective in FY24 will be to grow the UK order pipeline with two focuses: high value, long term customer programs and re-establishment of the consultancy services revenue stream.

The vision for NV5 Geospatial Solutions UK Ltd aligns with the overall goals for the NV5 Geospatial segment, which is to be the leading supplier of enterprise solutions for remote sensing big data and analytics across a range of commercial and government industries and technology platforms.

As the organization evolves, a new business strategy to provide additional value through solutions in key industries and vertical markets has become a focus area for the UK organization, resulting in significant wins in the Defense & Intelligence (D&I), National Security, and Agriculture markets. In these projects, the compelling mix of product technology and professional services create a unique value proposition that resonates with existing and new customers.

The UK organization is well positioned to leverage existing customer relationships and grow the legacy product business while identifying new customers seeking business solutions rather than core technology tools.

A principal risk to the company is retaining key personnel. Geospatial and remote sensing is a niche and specialized science. It is essential to have experienced and knowledgeable employees to support the future goals and growth of the business.

The Director considers the main key performance indicators to be Revenue, Gross Profit, Orders, Salaries, debtors, Creditors and Cash. Ratios are calculated from these main key performance indicators.

The directors are confident the UK organization will maintain its current level of profitability in the fiscal year ending 31 December 2024.

Strategic Report
for the Year Ended 31 December 2023

RISK MANAGEMENT APPROACH

The company takes opportunities and risks to enable it to realise its strategic, operational and financial objectives. The company understands the importance of properly functioning internal risk management and control systems identifying and managing risks. Risk management is actively monitored and steps taken to increase risk awareness throughout the organisation. Key personnel are designated to implement controls and various other measures.

PRINCIPAL RISKS AND UNCERTAINTIES

The main principal risk to the company is retaining personnel. Geospatial and remote sensing is a niche and spatialized science. It is essential to have experienced and knowledgeable employees to support the future goals and growth of the business. In additions, there are competitive risks as remote sensing is a growing industry. NV5 Geopatial (and former parent L3 Harris Geospatial) continue to develop new products to improve customer's experience. There is also an increase in the remote sensing market as more industries become aware of the technology and the diverse ways in which it can be utilised.

The company uses various basic financial instruments including cash and other items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for all of the company's operations. This exposes the company to a number of financial risks as described below:

Liquidity risk

The company seeks to manage liquidity risk by ensuring that there are sufficient funds available to meet foreseeable needs. Cashflow forecasts are produced and monitored monthly by the Board.

Credit risk

The company principal financial assets are cash and trade debtors and therefore its main credit risk relates to its trade debtors. In order to manger credit risk, payment terms and maximum exposure limits for customers are set in line with their credit policy.

FINANCIAL KEY PERFORMANCE INDICATORS

The gross margin percentage for 2023 has increased 8.16% (2022: increased 7.24%). The operating profit for the year was £76,846.

ON BEHALF OF THE BOARD:

R Tong - Director

23 September 2024

Report of the Directors
for the Year Ended 31 December 2023

The directors present their report with the financial statements of the company for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sales and support of scientific software, and consultancy services.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2023.

DIRECTORS

The directors who have held office during the period from 1 January 2023 to the date of this report are as follows:

Ms S E Casella - resigned 6 April 2023

Ms K A Schumacher - resigned 6 April 2023

R Tong - appointed 6 April 2023

D Wright - appointed 6 April 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 December 2023

AUDITORS

In accordance with the company's articles, a resolution proposing that PKB Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

ON BEHALF OF THE BOARD:

R Tong - Director

23 September 2024

**Report of the Independent Auditors to the Members of
NV5 Geospatial Solutions UK Limited**

Opinion

We have audited the financial statements of NV5 Geospatial Solutions UK Limited (the 'company') for the year ended 31 December 2023 which comprise the Income Statement, Other 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).

In our opinion the financial statements:

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

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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

**Report of the Independent Auditors to the Members of
NV5 Geospatial Solutions UK Limited**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 or the Report of the Directors.

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 Statement of Directors' Responsibilities set out on page five, 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 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.

**Report of the Independent Auditors to the Members of
NV5 Geospatial Solutions UK Limited**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

. We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Companies Act 2006, Bribery Act 2010, Money Laundering regulations and relevant tax compliance regulations in the United Kingdom.

. We understood how NV5 Geospatial Solutions UK Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through the review of the following documentation or completion of the following procedures:

. Review of all minutes of board meetings held during the period and through to the most recent meeting held prior to the approval of these financial statements;

. Review of accounting policies and completion of a disclosure checklist to assess compliance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Company law requirements;

. Review of any relevant correspondence with local tax authorities; and

. Review of any relevant correspondence received from regulatory bodies

. We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by holding a discussion within the audit team which included identification of related parties, understanding the company's business, the control environment and assessing the inherent risk for relevant assertions at the significant account level. We also held discussions with management and those charged with governance to gain an understanding of those areas of the financial statements which are susceptible to fraud, as identified by management. Following these procedures, we identified a risk of management override of control and risk of inappropriate revenue recognition. We gained an understanding of the entity level of controls and policies that the company applies.

Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on journals indicating large or unusual transactions, or meeting our defined risk criteria based on our understanding of the business, reviewing accounting estimates for evidence of management bias and enquiries of senior members of the management team regarding their knowledge of any instances of non-compliance with laws and regulations that could impact the financial statements.

**Report of the Independent Auditors to the Members of
NV5 Geospatial Solutions UK Limited**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Yvonne Miles FCCA (Senior Statutory Auditor)
for and on behalf of PKB Accountants Limited
Chartered Certified Accountants
Statutory Auditor
Beechey House
87 Church Street
Crowthorne
Berkshire
RG45 7AW

27 September 2024

Income Statement
for the Year Ended 31 December 2023

	Notes	31.12.23 £	31.12.22 £
TURNOVER	3	1,472,546	1,532,308
Cost of sales		<u>565,268</u>	<u>713,310</u>
GROSS PROFIT		907,278	818,998
Administrative expenses		<u>994,003</u> (86,725)	<u>901,288</u> (82,290)
Other operating income		<u>163,571</u>	<u>158,905</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		76,846	76,615
Tax on profit	6	<u>(3,400)</u>	<u>16,368</u>
PROFIT FOR THE FINANCIAL YEAR		<u>80,246</u>	<u>60,247</u>

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 December 2023

	Notes	31.12.23 £	31.12.22 £
PROFIT FOR THE YEAR		80,246	60,247
OTHER COMPREHENSIVE INCOME			
Cancellation of shares		-	134,621
Reclassification of share premium		-	38,679,537
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	<u>38,814,158</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>80,246</u>	<u>38,874,405</u>

The notes form part of these financial statements

NV5 Geospatial Solutions UK Limited (Registered number: 03608565)**Balance Sheet**
31 December 2023

	Notes	31.12.23 £	£	31.12.22 £	£
FIXED ASSETS					
Tangible assets	8		1,484		4,578
CURRENT ASSETS					
Debtors	9	348,374		301,930	
Cash at bank		<u>963,276</u>		<u>992,695</u>	
		1,311,650		1,294,625	
CREDITORS					
Amounts falling due within one year	10	<u>903,699</u>		<u>969,144</u>	
NET CURRENT ASSETS			<u>407,951</u>		<u>325,481</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			409,435		330,059
PROVISIONS FOR LIABILITIES	12		-		870
NET ASSETS			<u>409,435</u>		<u>329,189</u>
CAPITAL AND RESERVES					
Called up share capital	13		1		1
Capital redemption reserve	14		134,621		134,621
Retained earnings	14		<u>274,813</u>		<u>194,567</u>
SHAREHOLDERS' FUNDS			<u>409,435</u>		<u>329,189</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 September 2024 and were signed on its behalf by:

R Tong - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 December 2023

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2022	134,622	(5,429,377)	38,679,537	-	33,384,782
Changes in equity					
Issue of share capital	(134,621)	-	(38,679,537)	-	(38,814,158)
Dividends	-	(33,115,840)	-	-	(33,115,840)
Total comprehensive income	-	38,739,784	-	134,621	38,874,405
Balance at 31 December 2022	<u>1</u>	<u>194,567</u>	<u>-</u>	<u>134,621</u>	<u>329,189</u>
Changes in equity					
Total comprehensive income	-	80,246	-	-	80,246
Balance at 31 December 2023	<u>1</u>	<u>274,813</u>	<u>-</u>	<u>134,621</u>	<u>409,435</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2023

1. STATUTORY INFORMATION

NV5 Geospatial Solutions UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The functional currency of the company is Pound Sterling (£)

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The company has taken advantage of the exemption under S400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of NV5 Global Inc. (Previously the parent company for which these accounts relate was Harris Geospatial Solutions Inc.) The Company's financial statements are individual entity financial statements.

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.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" :

- The requirements of Section 7 Statement of Cash Flows

Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues':

- . Interest income/expense and net gains/losses for financial instruments not measured at fair value;
- . basis of determining fair values;
- . Section 33 'Related Party Disclosures':
- . Compensation for key management personnel

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

2. ACCOUNTING POLICIES - continued

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Significant judgements and estimates

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a) Critical judgements in applying the entity's accounting policies

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below:

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on physical condition and economic utilisation of the assets. See note 5 for the carrying amount of the assets and the accounting policies note Tangible Fixed Assets for the useful economic lives of each class of asset.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 6 for the net carrying amount of the debtors.

(iii) Impairment of creditors

The company makes an estimate of the payable value of trade and other creditors including accruals and deferred income. When assessing impairment of trade and other creditors including accruals and deferred income, management considers factors including the ageing profile of the balances and historical experience.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

2. ACCOUNTING POLICIES - continued

Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The following revenue recognition policies are in place :-

Sales of Software Licences are recognised at the point of sale.

Software Maintenance Income is recognised evenly over the length of the maintenance agreement, in accordance with group accounting policies.

Training is recognised at the beginning of the course and Consultancy Income is recognised upon the completion of agreed stages, in accordance with group accounting policies.

Distributor Support and Maintenance renewal Income is recognised in full in the year of sale.

Royalties on software licences are accounted for on an invoice basis in accordance with group accounting policies. Royalties on software maintenance are accounted for evenly over the length of the maintenance agreement in accordance with group accounting policies.

Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of the assets less their residual value over their estimated useful lives on the following basis:

Office equipment - 33% on cost and 15% on reducing balance

At each balance sheet date, the Company reviews the carrying amounts of its Tangible Fixed Assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

2. **ACCOUNTING POLICIES - continued**

Taxation

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

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profits differs from net profit as reported in the profit and loss account as 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 date.

Deferred Tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Foreign currencies

Transactions in currencies other than the functional currency of the Company are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the statement of comprehensive income. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

Hire purchase and leasing commitments

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

Pension costs

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

2. ACCOUNTING POLICIES - continued

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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

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.

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.

Classification of financial liabilities and equity

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 trade and other creditors, amounts due to fellow group companies, accruals, 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.

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

Derecognition of financial liabilities

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

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash at bank and on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities when applicable.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

2. ACCOUNTING POLICIES - continued

Equity Instruments

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

Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

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

At each reporting date non-financial assets not carried at face value are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

Inventories are also assessed for impairment at each reporting date, the carrying amount of each item of inventory, or group of similar items, is compared with its selling price less costs to complete and sell. If an item of inventory or group of similar items is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.12.23	31.12.22
	£	£
Commercial Sales	1,050,696	1,367,166
Government	421,850	165,142
	<u>1,472,546</u>	<u>1,532,308</u>

An analysis of turnover by geographical market is given below:

	31.12.23	31.12.22
	£	£
United Kingdom	1,050,670	1,035,683
Europe	226,781	251,867
United States of America	195,095	244,758
	<u>1,472,546</u>	<u>1,532,308</u>

4. EMPLOYEES AND DIRECTORS

	31.12.23	31.12.22
	£	£
Wages and salaries	677,533	572,244
Social security costs	56,122	49,736
Other pension costs	44,527	37,284
	<u>778,182</u>	<u>659,264</u>

The average number of employees during the year was as follows:

	31.12.23	31.12.22
Office and management	10	8
Directors	2	2
	<u>12</u>	<u>10</u>

	31.12.23	31.12.22
	£	£
Directors' remuneration	-	-

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

4. EMPLOYEES AND DIRECTORS - continued

The Directors of NV5 Geospatial Solutions UK Limited did not receive any remuneration from the company. The Directors of NV5 Geospatial Solutions UK Limited also serve as Directors of other companies within the group, and their remuneration is borne by those other group companies. The services provided by the Directors to NV5 Geospatial Solutions UK Limited are incidental to their main employment.

5. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.23	31.12.22
	£	£
Other operating leases	40,402	38,121
Depreciation - owned assets	3,094	2,741
Auditors' remuneration	9,474	20,000
Auditors' remuneration for non audit work	<u>3,750</u>	<u>5,302</u>

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	31.12.23	31.12.22
	£	£
Current tax:		
Adjustments in respect of previous years	-	(14,121)
Amount payable to group company in respect of tax saved by group relief	-	<u>30,608</u>
Total current tax	-	16,487
Deferred tax	<u>(3,400)</u>	<u>(119)</u>
Tax on profit	<u>(3,400)</u>	<u>16,368</u>

UK corporation tax has been charged at 25% (2022 - 19%).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

6. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.23	31.12.22
	£	£
Profit before tax	<u>76,846</u>	<u>76,615</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%)	19,212	14,557
Effects of:		
Expenses not deductible for tax purposes	113	(15,806)
Income not taxable for tax purposes	(22,180)	-
Capital allowances in excess of depreciation	-	(2)
Depreciation in excess of capital allowances	625	-
Utilisation of tax losses	-	1,251
Adjustments to tax charge in respect of previous periods	-	(14,121)
Group loss relief received	-	30,608
Movement in deferred tax	(3,399)	(119)
Tax Losses carried forward	<u>2,229</u>	<u>-</u>
Total tax (credit)/charge	<u>(3,400)</u>	<u>16,368</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2023.

	Gross	31.12.22 Tax	Net
	£	£	£
Cancellation of shares	134,621	-	134,621
Reclassification of share premium	38,679,537	-	38,679,537
	<u>38,814,158</u>	<u>-</u>	<u>38,814,158</u>

Factors that may affect future tax charges

The deferred tax asset and liability are measured at the rates that are to apply in the period when the asset is realised or the liability is settled, based on tax rates (and the tax laws) that have been enacted or substantively enacted by the balance sheet date.

The deferred tax is calculated at rates of 25% (2022: 19% to 25%)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

7.	DIVIDENDS	31.12.23	31.12.22
		£	£
	Interim	-	<u>33,115,840</u>
8.	TANGIBLE FIXED ASSETS		Office equipment £
	COST		
	At 1 January 2023 and 31 December 2023		<u>16,904</u>
	DEPRECIATION		
	At 1 January 2023		12,326
	Charge for year		<u>3,094</u>
	At 31 December 2023		<u>15,420</u>
	NET BOOK VALUE		
	At 31 December 2023		<u>1,484</u>
	At 31 December 2022		<u>4,578</u>
9.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.12.23	31.12.22
		£	£
	Trade debtors	264,191	213,846
	Amounts owed by group undertakings	3,549	29,239
	Other debtors	1,279	126
	Tax	6,937	3,966
	Deferred tax asset		
	Accelerated capital allowances	2,530	-
	Prepayments	<u>69,888</u>	<u>54,753</u>
		<u>348,374</u>	<u>301,930</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

10.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			31.12.23	31.12.22
				£	£
	Trade creditors			22,874	(787)
	Amounts owed to group undertakings			44,674	59,000
	Social security and other taxes			30,590	27,139
	VAT			39,762	38,503
	Other creditors			28,652	5,036
	Accruals			199,568	226,374
	Deferred income			<u>537,579</u>	<u>613,879</u>
				<u>903,699</u>	<u>969,144</u>
11.	LEASING AGREEMENTS				
	Minimum lease payments under non-cancellable operating leases fall due as follows:				
				31.12.23	31.12.22
				£	£
	Within one year			20,227	41,451
	Between one and five years			-	59,933
				<u>20,227</u>	<u>101,384</u>
12.	PROVISIONS FOR LIABILITIES				
					31.12.22
					£
	Deferred tax				
	Accelerated capital allowances				<u>870</u>
					Deferred
					tax
					£
	Balance at 1 January 2023				870
	Accelerated capital allowances				(1,171)
	Tax on losses				<u>(2,229)</u>
	Balance at 31 December 2023				<u>(2,530)</u>
13.	CALLED UP SHARE CAPITAL				
	Allotted, issued and fully paid:				
	Number:	Class:	Nominal value:	31.12.23	31.12.22
				£	£
	1	Ordinary	£1	<u>1</u>	<u>1</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

14. **RESERVES**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2023	194,567	134,621	329,188
Profit for the year	<u>80,246</u>	<u></u>	<u>80,246</u>
At 31 December 2023	<u>274,813</u>	<u>134,621</u>	<u>409,434</u>

15. **PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost and charge represents contributions payable by the company to the fund and amounted to £44,527 (2022: £37,284). The outstanding contributions at the year end totalled £nil (2022: £nil).

16. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

17. **ULTIMATE CONTROLLING PARTY**

The ultimate parent company is NV5 Global Inc, a company incorporated in the United States of America.

Copies of the group accounts are available from:

NV5 Global Inc.
200 South Park Road, Suite 350
Hollywood, FL 33021
USA

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