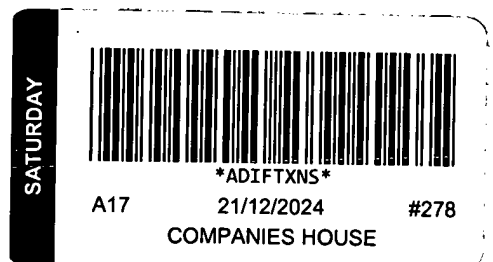


Company Registration No. 07321996 (England and Wales)

**INTEGRITY GLOBAL LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023**



INTEGRITY GLOBAL LTD

COMPANY INFORMATION

Directors	R A Ellis C Sandkuehler D A Ellis J A Hughes
Secretary	D A Ellis
Company number	07321996
Registered office	Somerset House Strand London WC2R 1LA
Auditor	HaysMac LLP 10 Queen Street Place London EC4R 1AG

INTEGRITY GLOBAL LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Introduction

Integrity is an international consultancy and service provider working on complex and challenging issues around the globe. Since 2010 we have helped our clients in government, the private sector and the international community through trusted research, advice, and project management.

We uphold the highest ethical standards in our work, our employment of staff and our interaction with people. Through adherence to our core values of courage, objectivity, diligence, accountability, and sensitivity, we ensure the best possible service, and benefit the communities amongst whom we work. We are committed to building a diverse and inclusive organisation where all feel safe and able to progress, contribute and be heard, regardless of gender, race, disability, age, sexual orientation, religion, marital or parental status.

Business Environment

In 2023, we faced substantial market unpredictability in both the UK and the US. In the UK, political volatility reduced aid spending, redirected Overseas Development Assistance to support Afghan resettlements in the UK, poor UK economic performance, the Ukraine crisis, and the aftermath of Covid all contributed to an unpredictable and delayed pipeline of bidding and reduced spending on active contracts. In the US delays to procurements for which we were well positioned plus an increased use of procurement mechanisms to which we do not yet have access reduced profitability and growth. We missed our operating profit target for the year but still generated £0.4m Operating profit with a bias towards strong US performance and a fifth USAID prime contract award with USAID.

We focused on continued high quality technical delivery, high levels of utilisation across our technical staff and increasing our operating profit. In the UK technical delivery was sustained at its usual high quality, evidenced by positive client feedback. However commercial performance was constrained through a lack of new UKG contracts for services being procured and the corresponding wins.

Business Review

Over the year, we delivered important and high-quality services across 19 contracts in more than 10 countries to 7 clients, the three largest of which were the Foreign, Commonwealth and Development Office (FCDO), the US Agency for International Development (USAID) and the World Bank Group (WBG). We worked across diverse and challenging assignments, ranging from monitoring flagship USG humanitarian assistance programmes, tracking aid funding in a range of humanitarian contexts, evaluating programming to counter authoritarian regime aggression, researching conflicts around the globe, assisting a multinational engineering firm to transition to a sustainable business model, and helping foundations be more effective in their charitable work.

Across our offices in the UK, US, Kenya, Jordan, and Pakistan, an award-winning and sector-leading team of experts, analysts and project managers ensured Integrity was at the forefront of technical delivery in the international development, aid, and peacebuilding sectors. In 14 years from inception Integrity is at this point one of the largest and most established MEL firms working in the development and aid sector and one recognised as particularly expert in generating that evidence in challenging, complex, and conflict-affected contexts.

To build on our existing portfolio we secured £12.2m in wins and ended the year with an order book of £70m. In addition to contract bids, we also positioned for the years ahead through a series of complex and sizeable bids to multi-year framework contracts. These cover key technical areas for Integrity such as climate change, humanitarian assistance, conflict, governance, and research and will provide access to a wide range of implementation contracts.

Quality execution and effective account management were our best routes to maintaining and growing our portfolio. A key indicator of Integrity's success during the year was our ability to negotiate extensions and scope expansions within current contracts and to position well for downstream opportunities.

In the UK we successfully mobilised the FCDO's Afghanistan Assurance and Learning Programme. We continued to expand our DKM offer, growing the team and moving significantly into the use and provision of data science including large language modelling on conflict for USAID.

INTEGRITY GLOBAL LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

In the US, Integrity won its fifth prime contract on a programme to deliver four years of advisory and technical support to USAID's Asia Bureau and more than a dozen bilateral and regional Missions and Operating Units in the Indo-Pacific region as they implement key USAID objectives under the U.S. Government's Indo-Pacific Strategy (IPS) including Bangladesh, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Sri Lanka, Thailand, Vietnam and the Pacific Islands Regional Office in the Philippines. During the year we also successfully mobilised three new programmes collectively valued collectively at over \$50m, one in Iraq, one in Somalia, and the third a global contract working at the cutting edge of conflict analysis. This last produced sixteen task orders in the year delivering work to USAID in Côte d'Ivoire, Kenya, Uganda, South Caucasus, DRC and Honduras.

Key Performance Indicators

Financial: The Company's total income increased by 44% to £23.9m from £16.6m in 2022, continuing the year-on-year trend of over 30% growth. Gross profit margin percentage increased by 22%. Operating Profit before Interest and Tax was £0.4m for the year. Loss after all deductions including amortisation, depreciation, interest, and tax for the year was £0.1m.

Environmental: The Company sought to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety, and economic issues. We are compliant with all applicable legislation and regulations and have successfully achieved our policy target of becoming carbon positive from all international air travel by the end of 2023. This will be an annual requirement. Our publicly available Environmental and Social Impact Policy sets out this and additional commitments to creating positive environmental and social impact in the pursuit of our vision, all of which are reported against in our annual Carbon Reduction Plan.

Social: The company continuously invests in increasing the social value and impact of the business across our team and project portfolio. Core aspects of these commitments are the company's Diversity and Inclusion committee "Integrity Inclusive", which advises the Executive Leadership, and the prioritization of employee satisfaction and positive company culture. We proactively link performance indicators to social value delivered on projects and maintain a commitment to capacity building of local partners.

Principal Risks and Uncertainties

Market: The strong order book we developed in 2022 helped navigate ongoing volatility in both our core markets throughout 2023. The US and UK development sector continued to see procurement delays, with many target tenders moving into 2024. In the US, we focused resources in the first half of the year on portfolio mobilization and IDIQ bids that would widen our market access from 2025 onwards to counterbalance future market volatility. In the UK we experienced an easing of the pipeline blockage towards the end of the year. Our prioritization of markets that have seen increased development funding from the UK in 2023 has set the business up well for FCDO priority programming in 2024.

Competition: In the UK government space competition has remained stable after the consolidation of the market over the past years. While relevant procurements have increased in Q4 2023 and are likely to do so in 2024, pricing pressures have increased with procurements putting a premium on low cost solutions. The company mitigated this risk by continued investment in high quality proposals, local teams, strong account management and market-leading technical delivery.

In the US market an increased number of Joint Ventures created through mentor/protegee relationships is entering the small business space, allowing larger businesses to continue to compete for small business set asides. This increases the competition pool in the small business space in the coming years. Integrity is successfully navigating this increased field by offering USAID a lean alternative to those JVs while also focusing on broadening the procurement access of the business.

Conflict of interest (Col): The Company monitors and manages any conflicts of interest proactively and decisively, cognisant of its responsibility for managing significant levels of public funds. The Board has published a Col policy, implemented by the Executive Management Committee to ensure that all Col is reported and managed effectively on a timely basis from Board level down.

Price: The company experienced increased pricing pressure in the UK market as competitors reduced their margins and cut costs in sometimes unsustainable bids to win new work. The risk was mitigated through effective pricing strategies aligned to evaluation criteria designed by our experienced in-house commercial team.

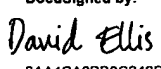
INTEGRITY GLOBAL LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Liquidity: The company continues to drive down its overall debt while maintaining adequate liquid assets for ongoing operations.

Forex: The company faced significant and growing exposure during the year to fluctuations between the GBP and USD foreign exchange rate due to the growing proportion of USD denominated contracts. In consideration of the economic pressures facing the strength of the GBP the company accepted and welcomed the exposure without hedging.

On behalf of the board

DocuSigned by:

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D A Ellis
Director

12/16/2024
Date:

INTEGRITY GLOBAL LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the company and group continued to be the provision of research and consultancy services.

Results and dividends

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

No ordinary dividends were paid (2022 - £nil). The directors do not recommend payment of a further dividend.

Directors

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

R A Ellis
C Sandkuehler
D A Ellis
J A Hughes

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

The auditor, HaysMac LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On 18 November 2024 the company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP.


Statement of disclosure to auditor

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

Matters of strategic importance

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the future developments of the company and the disclosure of its principal risks and uncertainties.

On behalf of the board

DocuSigned by:

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D A Ellis
Director

12/16/2024
Date:

INTEGRITY GLOBAL LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRITY GLOBAL LTD

Opinion

We have audited the financial statements of Integrity Global LTD (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows 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 group's and of the parent company's affairs as at 31 December 2023 and of the group's 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 group and parent 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 director's 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 group'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 included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the group and parent company 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 group and parent company 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRITY GLOBAL LTD (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 set out on page 5, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the provision of consultancy services in overseas jurisdictions and the associated compliance regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

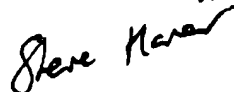
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRITY GLOBAL LTD (CONTINUED)

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 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.



Steven Harper (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor
Chartered Accountants
10 Queen Street Place
London
EC4R 1AG
Date: 19 December 2024

INTEGRITY GLOBAL LTD**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Turnover	3	23,851,484	16,553,960
Cost of sales		(15,428,702)	(9,686,574)
Gross profit		8,422,782	6,867,386
Administrative expenses		(8,012,960)	(5,303,353)
Operating profit	6	409,822	1,564,033
Interest receivable and similar income	8	66	6,199
Interest payable and similar expenses	9	(423,731)	(360,897)
(Loss)/profit before taxation		(13,843)	1,209,335
Tax on (loss)/profit	10	(131,660)	(135,423)
(Loss)/profit for the financial year		(145,503)	1,073,912
Other comprehensive income net of taxation			
Currency translation differences		(29,864)	(36,556)
Total comprehensive income for the year		(175,367)	1,037,356

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

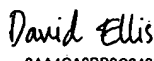
Total comprehensive income for the year is all attributable to the owners of the parent company.

INTEGRITY GLOBAL LTD**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		19,924		4,303
Current assets					
Debtors	14	3,681,938		4,443,279	
Cash at bank and in hand		1,003,302		957,874	
		<u>4,685,240</u>		<u>5,401,153</u>	
Creditors: amounts falling due within one year	15	<u>(5,651,368)</u>		<u>(5,139,920)</u>	
Net current (liabilities)/assets			<u>(966,128)</u>		<u>261,233</u>
Total assets less current liabilities			<u>(946,204)</u>		<u>265,536</u>
Creditors: amounts falling due after more than one year	16		(936,369)		(1,972,742)
Net liabilities			<u>(1,882,573)</u>		<u>(1,707,206)</u>
Capital and reserves					
Called up share capital	20		200		200
Share premium account	21		124,255		124,255
Profit and loss reserves	21		<u>(2,007,028)</u>		<u>(1,831,661)</u>
Total equity			<u>(1,882,573)</u>		<u>(1,707,206)</u>

12/16/2024

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

DocuSigned by:

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D A Ellis
 Director

INTEGRITY GLOBAL LTD**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2023**

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	11		16,327		4,303
Investments	12		8,264		8,264
			<u>24,591</u>		<u>12,567</u>
Current assets					
Debtors	14	1,951,297		3,099,230	
Cash at bank and in hand		46,006		18,377	
		<u>1,997,303</u>		<u>3,117,607</u>	
Creditors: amounts falling due within one year	15	<u>(3,110,115)</u>		<u>(2,731,833)</u>	
Net current (liabilities)/assets			<u>(1,112,812)</u>		<u>385,774</u>
Total assets less current liabilities			<u>(1,088,221)</u>		<u>398,341</u>
Creditors: amounts falling due after more than one year	16		(936,369)		(1,972,742)
Net liabilities			<u>(2,024,590)</u>		<u>(1,574,401)</u>
Capital and reserves					
Called up share capital	20		200		200
Share premium account	21		124,255		124,255
Profit and loss reserves	21		(2,149,045)		(1,698,856)
Total equity			<u>(2,024,590)</u>		<u>(1,574,401)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £450,189 (2022 - £90,828 loss).

12/16/2024

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

DocuSigned by:

David Ellis

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D A Ellis
Director

INTEGRITY GLOBAL LTD**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2022	200	124,255	(2,869,017)	(2,744,562)
Year ended 31 December 2022:				
Profit for the year	-	-	1,073,912	1,073,912
Other comprehensive income net of taxation: Currency translation differences	-	-	(36,556)	(36,556)
Total comprehensive income for the year	-	-	1,037,356	1,037,356
Balance at 31 December 2022	200	124,255	(1,831,661)	(1,707,206)
Year ended 31 December 2023:				
Loss for the year	-	-	(145,503)	(145,503)
Other comprehensive income net of taxation: Currency translation differences	-	-	(29,864)	(29,864)
Total comprehensive income for the year	-	-	(175,367)	(175,367)
Balance at 31 December 2023	200	124,255	(2,007,028)	(1,882,573)

INTEGRITY GLOBAL LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2022	200	124,255	(1,608,028)	(1,483,573)
Year ended 31 December 2022:				
Loss and total comprehensive income for the year	-	-	(90,828)	(90,828)
Balance at 31 December 2022	200	124,255	(1,698,856)	(1,574,401)
Year ended 31 December 2023:				
Loss and total comprehensive income for the year	-	-	(450,189)	(450,189)
Balance at 31 December 2023	200	124,255	(2,149,045)	(2,024,590)

INTEGRITY GLOBAL LTD

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	22	1,601,160		1,039,459	
Interest paid		(423,731)		(360,897)	
Income taxes paid		(267,083)		-	
Net cash inflow from operating activities		<u>910,346</u>		<u>678,562</u>	
Investing activities					
Purchase of tangible fixed assets		(24,496)		(4,679)	
Interest received		66		6,199	
Net cash (used in)/generated from investing activities		<u>(24,430)</u>		<u>1,520</u>	
Financing activities					
Repayment of bank loans		(810,609)		(520,774)	
Net cash used in financing activities		<u>(810,609)</u>		<u>(520,774)</u>	
Net increase in cash and cash equivalents		<u>75,307</u>		<u>159,308</u>	
Cash and cash equivalents at beginning of year		957,874		835,122	
Effect of foreign exchange rates		(29,879)		(36,556)	
Cash and cash equivalents at end of year		<u><u>1,003,302</u></u>		<u><u>957,874</u></u>	

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Integrity Global Ltd ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Somerset House, Strand, London, WC2R 1LA.

The group consists of Integrity Global Ltd and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 £1.

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

The 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 for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Integrity Global Ltd and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for at least the 12 months following the signing of the financial statements despite having net liabilities of £1,882,573 (2022 - £1,707,206). The company continues to operate on a going-concern basis having ended 2023 with an order book of approximately 3x turnover and continued projections of growth and profitability. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets

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

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

Fixtures and fittings	2 years straight-line
Computers	2 years straight-line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The group 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 when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Derivatives, including share warrants held by the group are non-basic financial instruments. Such 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 income as appropriate.

Basic financial assets

Basic financial assets, which include trade and other debtors and amounts owed by group undertakings, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

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 group 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

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and amounts owed to group undertakings, 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 group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of 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 group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as other creditors.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Invoice discounting

Trade debtors are subject to a factoring agreement whereby an advance is received based upon and secured against trade receivables. The group transfers its significant benefits and risks relating to the factored debts to the factor. The interest element of the factor's charges is recognised as it accrues and is included in the statement of comprehensive income with other interest charges.

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

The directors do not consider there to be any significant estimates and judgments that affect the financial statements.

3 Turnover and other revenue

	2023 £	2022 £
Turnover analysed by class of business		
Provision of research and consultancy services	23,851,484	16,553,960
	<u>23,851,484</u>	<u>16,553,960</u>
	2023 £	2022 £
Other revenue		
Interest income	66	6,199
	<u>66</u>	<u>6,199</u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	4,010,482	3,780,225
United States	16,624,817	8,316,254
Rest of World	3,216,185	4,457,481
	<u>23,851,484</u>	<u>16,553,960</u>

4 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Staff	158	97	53	51
Management	4	4	4	4
	<u>162</u>	<u>101</u>	<u>57</u>	<u>55</u>
Total	<u>162</u>	<u>101</u>	<u>57</u>	<u>55</u>

INTEGRITY GLOBAL LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023****4 Employees (Continued)**

Their aggregate remuneration comprised:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	9,488,559	5,669,396	2,984,216	3,056,650
Social security costs	563,153	453,701	343,152	366,264
Pension costs	329,796	312,422	177,435	250,011
	<u>10,381,508</u>	<u>6,435,519</u>	<u>3,504,803</u>	<u>3,672,925</u>

5 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	549,537	853,544
Company pension contributions to defined contribution schemes	40,588	59,270
	<u>590,125</u>	<u>912,814</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2022 - 4).

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

	2023	2022
	£	£
Remuneration for qualifying services	160,716	242,557
Company pension contributions to defined contribution schemes	9,922	20,504
	<u>170,638</u>	<u>263,061</u>

6 Operating profit

	2023	2022
	£	£
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	23,826	(217,179)
Depreciation of owned tangible fixed assets	8,890	8,699
Operating lease charges	438,830	218,384
	<u>471,546</u>	<u>(189,996)</u>

INTEGRITY GLOBAL LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

7 Auditor's remuneration	2023	2022
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	35,000	29,000
	<u> </u>	<u> </u>
8 Interest receivable and similar income	2023	2022
	£	£
Interest income		
Other interest income	66	6,199
	<u> </u>	<u> </u>
9 Interest payable and similar expenses	2023	2022
	£	£
Interest on bank overdrafts and loans	327,710	360,897
Interest on invoice finance arrangements	96,021	-
	<u> </u>	<u> </u>
Total finance costs	423,731	360,897
	<u> </u>	<u> </u>
10 Taxation	2023	2022
	£	£
Current tax		
Other taxes	131,660	135,423
	<u> </u>	<u> </u>

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

10 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2023 £	2022 £
(Loss)/profit before taxation	(13,843)	1,209,335
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	(3,256)	229,774
Tax effect of expenses that are not deductible in determining taxable profit	66	1,337
Change in unrecognised deferred tax assets	112,636	(152,074)
Effect of change in corporation tax rate	(6,666)	(5,313)
Other permanent differences	17,098	(28,427)
Effect of overseas tax rates	-	90,393
Fixed asset differences	(83)	(267)
Other movements	11,865	-
Taxation charge	131,660	135,423

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 on 24 May 2021. These included an increase of the corporation tax rate to 25% from 1 April 2023. This change had no impact on these financial statements as deferred tax balances were already calculated at 25% as at the prior year end following the enactment. The percentage of 23.52% applied to profit before taxation in the reconciliation above is the average rate for the year using actual rates pro-rated for the period that they were effective.

Based on the financial statements, no provision has been made for deferred tax. The group has estimated trading losses of £1,883,453 (2022 - £1,678,682) available for carry forward against future trading profits. A deferred tax asset of £470,864 (2022 - £419,671) has not been recognised due to uncertainty over the timing of the use of the losses.

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11 Tangible fixed assets

Group	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2023	28,198	42,792	70,990
Additions	-	24,496	24,496
Disposals	-	(1,575)	(1,575)
At 31 December 2023	<u>28,198</u>	<u>65,713</u>	<u>93,911</u>
Depreciation and impairment			
At 1 January 2023	28,198	38,489	66,687
Depreciation charged in the year	-	8,890	8,890
Eliminated in respect of disposals	-	(1,575)	(1,575)
Exchange adjustments	-	(15)	(15)
At 31 December 2023	<u>28,198</u>	<u>45,789</u>	<u>73,987</u>
Carrying amount			
At 31 December 2023	<u>-</u>	<u>19,924</u>	<u>19,924</u>
At 31 December 2022	<u>-</u>	<u>4,303</u>	<u>4,303</u>
Company	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2023	28,198	42,792	70,990
Additions	-	19,873	19,873
Disposals	-	(1,575)	(1,575)
At 31 December 2023	<u>28,198</u>	<u>61,090</u>	<u>89,288</u>
Depreciation and impairment			
At 1 January 2023	28,198	38,489	66,687
Depreciation charged in the year	-	7,849	7,849
Eliminated in respect of disposals	-	(1,575)	(1,575)
At 31 December 2023	<u>28,198</u>	<u>44,763</u>	<u>72,961</u>
Carrying amount			
At 31 December 2023	<u>-</u>	<u>16,327</u>	<u>16,327</u>
At 31 December 2022	<u>-</u>	<u>4,303</u>	<u>4,303</u>

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	13	-	-	8,264	8,264

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 January 2023 and 31 December 2023	22,632
Impairment	
At 1 January 2023 and 31 December 2023	14,368
Carrying amount	
At 31 December 2023	8,264
At 31 December 2022	8,264

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Integrity Uadalifu Limited	General Mathenge Close, P.O. Box 1093-00606, Sarit Centre, Nairobi, Kenya	Provision of research and consultancy services	Ordinary	100.00	-
Integrity Global Inc	1201 Wilson Blvd #27, Arlington, VA 22209, USA	Provision of research and consultancy services	Ordinary	100.00	-
Mobius Integrity Uadalifu East Africa Ltd	P.O BOX 45669, G.P.O NAIROBI	Provision of research and consultancy services	Ordinary	-	100.00
Integrity S.A.L	arabieh building, Armenia street, Mar Mikhael, Beirut	Dormant	Ordinary	100.00	-

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,859,097	3,265,884	685,858	1,121,804
Amounts owed by group undertakings	-	-	-	1,144,809
Other debtors	272,997	244,087	108,123	203,397
Prepayments and accrued income	1,549,844	933,308	1,157,316	629,220
	<u>3,681,938</u>	<u>4,443,279</u>	<u>1,951,297</u>	<u>3,099,230</u>

Amounts owed by group undertakings are unsecured, repayable on demand and accrue interest at an average rate of 4.35%.

15 Creditors: amounts falling due within one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Bank loans	17	1,036,372	810,608	1,036,372	810,608
Trade creditors		2,833,078	1,834,371	796,687	1,035,579
Amounts owed to group undertakings		-	-	320,060	-
Corporation tax payable		-	135,423	-	-
Other taxation and social security		572,963	771,652	554,591	617,116
Other creditors		145,082	1,254,956	113,344	43,049
Accruals and deferred income		1,063,873	332,910	289,061	225,481
		<u>5,651,368</u>	<u>5,139,920</u>	<u>3,110,115</u>	<u>2,731,833</u>

Amounts owed to group undertakings are unsecured, repayable on demand and accrue interest at an average rate of 4.35%.

Amounts relating to the invoice discounting facility bears interest at 4.75%.

16 Creditors: amounts falling due after more than one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Bank loans and overdrafts	17	<u>936,369</u>	<u>1,972,742</u>	<u>936,369</u>	<u>1,972,742</u>

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

17 Borrowings

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	1,972,741	2,783,350	1,972,741	2,783,350
Payable within one year	1,036,372	810,608	1,036,372	810,608
Payable after one year	936,369	1,972,742	936,369	1,972,742

The company's borrowings are secured by fixed and floating charges over the assets, in favour of Growth Lending 2020 Limited.

18 Warrant instruments

In 2017, the Company issued a warrant instrument that provides the right to subscribe to 10% of integrity Global Group's shares. The warrant is exercisable for a period of 10 years to April 2027 at a price equal to the nominal price of the parent company's shares on the exercise date.

During the year management performed an assessment of the value of the warrant instrument and concluded that the fair value was immaterial in both the current and previous financial year. On this basis, the warrant instrument has not been reflected within the financial statements.

19 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	329,796	312,422

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions totalling £34,441 (2022 - £40,295) were payable to the fund at the year end and are included in other creditors.

20 Share capital

	Group and Company			
	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 1p each	20,000	20,000	200	200

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

21 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

22 Cash generated from group operations

	2023 £	2022 £
(Loss)/profit for the year after tax	(145,503)	1,073,912
Adjustments for:		
Taxation charged	131,660	135,423
Finance costs	423,731	360,897
Investment income	(66)	(6,199)
Depreciation and impairment of tangible fixed assets	8,890	8,699
Movements in working capital:		
Decrease/(increase) in debtors	761,341	(2,318,439)
Increase in creditors	421,107	1,785,166
Cash generated from operations	<u>1,601,160</u>	<u>1,039,459</u>

23 Analysis of changes in net debt - group

	1 January 2023 £	Cash flows £	Exchange rate movements £	31 December 2023 £
Cash at bank and in hand	957,874	75,307	(29,879)	1,003,302
Borrowings excluding overdrafts	(2,783,350)	810,609	-	(1,972,741)
	<u>(1,825,476)</u>	<u>885,916</u>	<u>(29,879)</u>	<u>(969,439)</u>

INTEGRITY GLOBAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

24 Operating lease commitments

Lessee

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	203,429	197,400	203,429	197,400
Between one and five years	207,498	394,800	207,498	394,800
	<u>410,927</u>	<u>592,200</u>	<u>410,927</u>	<u>592,200</u>

25 Related party transactions

The group has taken advantage of the exemption under FRS102 Section 33 "Related Party Transactions" from disclosing transactions with its fellow group companies.

26 Controlling party

The ultimate controlling party is deemed to be R A Ellis by virtue of his majority shareholding.