

Company registration number: 06878779

UNAUDITED ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2023

ADAPTAVIST GROUP LTD



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ADAPTAVIST GROUP LTD

COMPANY INFORMATION

Directors	S Haighton-Williams J Haynes
Registered number	06878779
Registered office	Adaptavist 25 Wilton Road Victoria London SW1V 1LW
Accountants	Menzies LLP Chartered Accountants 1st Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ

ADAPTAVIST GROUP LTD

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ADAPTAVIST GROUP LTD

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

Introduction

The directors present their strategic report of the Company for the year ended 30 September 2023.

Adaptavist Group is an intermediate parent company in the group which holds the investments and IP, therefore does not trade itself. The figures included in the report are the group consolidated positions at year end.

The Adaptavist Group (TAG) comprises a diverse tribe of brands and more than 1,100 people in 15 countries. Obsessed with making business work better, TAG has built a leadership position in the Atlassian ecosystem. It creates, delivers and supports products, services and consultancy to over 22,000 customers, including more than half of the Fortune 500.

Since 2011, the business has demonstrated the value of taking a long-term, portfolio approach, building a complementary but diverse offering and delivering it globally. The business's objective is to become embedded in how the world's most complex organisations operate, deliver and drive value. We have also created an environment and culture where the best talent wants to work and stay. Over that time, revenues in the group have grown 200x from £1.2m to £240.6m as shown in Adaptavist Holdings Limited.

The Adaptavist Group's principal activities

TAG's heritage is as a founding member of the Atlassian ecosystem. Atlassian is a NASDAQ-listed Australian-American company with a market capitalisation of more than US\$42.1bn (on 24/09/2024). Its software platform, including Jira, Confluence, Trello, Bitbucket and Bamboo, is used by developers, project managers and IT professionals in more than 260,000 customers.

In 2006, we launched the first "add-on" for Atlassian's Confluence product. We also helped to build and launch the Atlassian Marketplace, the mechanism through which Atlassian customers enhance and extend their Atlassian investment. We have leveraged and supported the ecosystem around Atlassian products - implementing, extending and collaborating, helping these products solidify into the Atlassian platform as it is today.

Since 2011, Atlassian's revenues have grown more than 35x from \$102m to \$3155.0m. Over the same period, TAG's revenues have grown by 200x from £1.2m to £240.6m. Being an active participant in this ecosystem; as a developer of software products, a manager of licences, advisor and provider of consultancy and services - has been fundamental to our growth. It has helped us broaden and deepen our offering to clients. We have also been a regular contributor, offering thought leadership and supporting other Atlassian partners in using our products as the foundation on which they service their own customers.

Our offering encompasses a suite of complementary products and services to assist customers with the implementation and operation of software platforms and tools that help them work better.

- Our services and consultancy teams help by understanding customers' business needs and delivering solutions to advise, operate, support and improve their technology tools.
- We create intellectual property through apps and software products that extend, automate and integrate customers' systems and enhance their user experience.
- Licence management services to remove the complexity and overhead of purchasing and managing licences across their organisation. Our team advises on licence needs, helping customers to optimise their investment.

ADAPTAVIST GROUP LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

To realise our mission to make business work better, we currently go to market through five practice areas. The practices are lenses that help us address customer problems across all our brands and lines of business.

- **Agile** - Our comprehensive agile offering aligns people, processes and technology to help organisations and their teams work better together.
- **DevOps** - We empower organisations to streamline and automate their processes to gain and maintain a competitive advantage.
- **ITSM** - Our IT Service Management (ITSM) and Enterprise Service Management (ESM) approach optimises processes and maximises the value of clients' investment in IT.
- **Work management** - Enabling organisations to increase productivity by providing teams with everything they need to perform at their best.
- **Cloud** - We help businesses leverage the power of cloud technology to adapt faster, perform better, and unlock new possibilities.

Investing in adjacent ecosystems

TAG continues to build on its heritage, investing in businesses, partners and talent within the Atlassian ecosystem. However, no enterprise of any scale is built on a single technology stack. To help customers work better, TAG seeks to address and make a virtue of this inevitable diversity of technologies. We have recently identified several platforms adjacent to Atlassian to help our customers increase their productivity and effectiveness. These emerging ecosystems have momentum of their own and can be adapted and integrated into Atlassian and other software platforms as part of an enterprise approach to information technology.

Our partnership with monday.com is the most advanced. We engage with business teams of all sorts within our customers. For many, the Atlassian ecosystem is perfect. For others, an integrated solution is best and for some, a solution based on monday.com is the right fit for their needs. We have already gained significant traction, winning the Most-Installed App award in 2023.

Our goal is to continue deepening our engagement with the customer's business, ensuring that their future needs are driving our roadmap for products, services and technology choices.

Continued investment in expansion and acquisition

Our business continues to expand globally through acquisitions and establishing new hubs. While we have always encouraged our people to work where they work best, it often makes sense to be close to where our customers, partners and Atlassian teams are physically located.

TAG completed three acquisitions during FY2023 year, enhancing its leadership in agile, cloud and ITSM disciplines.

- **venITure** - the fastest-growing Atlassian Platinum Solution Partner in the DACH region. It provides solutions for cloud migration, agile at scale, ITSM and work management, helping customers accelerate their transformation while building frameworks to support modern working practices.
- **Nimaworks** - an Atlassian Platinum Solution Partner based in Greece with customers across Europe. It specialises in helping clients in complex industries leverage agile, automation and digitisation to improve IT efficiency, enable collaboration and knowledge sharing, and simplify workflows.
- **Rozdoun** - a team of Ukraine-based consultants focused on integrating platforms and developing custom applications that help companies drive efficiencies, eliminate operational redundancy, and manage migration to the cloud. An Atlassian Gold Solution Partner, they bring considerable Atlassian cloud migration and product development expertise.

ADAPTAVIST GROUP LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Highlights of The Adaptavist Group's trading in FY2023

As shown in Adaptavist Holdings Limited, TAG revenues grew by 72% from £139.9m in FY2022 to £240.6m in FY2023. This represents a compound annual growth rate of 32% over the last three years. FY2023 revenue performance was driven by a 101% increase in licence resale revenues, a 31% increase in revenues from our sales of apps, and a 43% increase in Services revenue.

Throughout its history, TAG has followed the strategic imperative to reinvest, stabilise and grow its businesses rather than generating large profits. Maintaining a baseline level of profitability - delivering an underlying compound annual growth rate of 32% between FY20 and FY23 - and driving growth has meant that TAG has continued to deliver without needing structural debt or investment from private equity.

We have continued to invest in the business, preparing it for further growth in future. During FY23 we acquired three Atlassian partners (see above) adding skills and experience relevant to our agile, cloud and ITSM offerings. The business also invested in processes, systems, talent, strategic partnerships and research and development (see below) to support the ongoing needs of the business and create new revenue streams. This has resulted in a significant impact on profitability in FY23 (net loss of £11,880,593), especially in comparison to FY22 where net profits of £27,328,682 were boosted by £21,792,981 from a disposal of IP.

The USA continues to be our largest market. Our top 5 territories by revenue (USA, Germany, United Kingdom, France and Canada) consistently represent c.63% of revenues. In FY2023, we had app customers across 157 countries. Our continued global investment in hubs and presence has seen a consistent increase in revenues from countries such as the Netherlands (Atlassian's main hub in Europe), Spain and South Korea.

Between FY2022 and FY2023 we began accelerating the contribution of services revenue from partner channels such as Monday.com and secure DevOps platform GitLab. Our Services revenues from monday.com increased by 761% between FY2022 and FY2023. Similarly, Services revenues deriving from secure DevOps platform GitLab increased by 861% over the same period.

Our strategy of building a portfolio of brands that offers customers the products, licences and services that address their challenges also results in significant cross-selling. In FY2023, 19% of revenue resulted from a customer buying an additional, different product, licence or service. Cross-selling of app customers to licences, services customers to licences, and licences customers to services, were the major routes between our offerings.

Continued investment in Research and Development (R&D)

The business is committed to enhancing existing products and developing new products to meet market demands. Leveraging artificial intelligence, machine learning, and automation within our offering will help us differentiate our products. During the year, areas of particular focus included:

- increasing the capabilities of Confluence-extending tools from the Kolekti business including redevelopment of the cloud versions;
- adding automation and more powerful API capabilities in ScriptRunner;
- creating new tools for extending and enhancing Enterprise use of Jira within the Upscale portfolio;
- expanding the DevOps-supporting toolset within the Venue.sh business; and,
- the Salable business is leveraging The Adaptavist Group's experience in the SaaS space and Atlassian ecosystem to create tools to help other companies set up, operate, monetise and grow their applications.

ADAPTAVIST GROUP LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Recent awards and external recognition

At Atlassian's Team '24 event in May 2024, we were awarded Partner of the Year 2023 for Cloud Solutions. The award recognises TAG's exceptional efforts during 2023 - developing new business, thought leadership, and products and services that complement Atlassian's.

TAG was ranked 1st in the Most Flexible Medium Companies list by Flexa, and it secured a place on Campaign's Best Places to Work 2023 list.

In May 2024, TAG was delighted to be recognised with a Kings Award for Enterprise in the International Trade category. Winning a King's Award puts us in a peer group of very diverse companies, from technology and manufacturing, science and engineering, to logistics, food, and even fashion and design. The judges scrutinised the fundamentals of the business over a three year period (FY2020 to FY2022) and recognised its impact and achievements on a global basis.

We continue establishing the business in ecosystems adjacent to Atlassian, including Amazon Web Services (AWS) and GitLab. Our continued growth in monday.com has, in the twelve months to May 2024, app sales revenues have increased from zero to \$100,000 ARR (annual recurring revenue) as we move from testing the market with free-of-charge apps to commercialising our range under the Upscale brand.

Corporate Governance

With respect to Corporate Governance, the Board has not yet chosen to adopt a specific corporate governance code. However, the Board has considered the Wates Corporate Governance Principles for Large Private Companies for guidance. TAG is currently below the threshold (2,000 employees or £2bn in assets) requiring us to adopt a formal governance structure. However, we are actively preparing the business as our ambitions and trajectory will likely surpass that threshold.

Directors' statement of compliance with duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Board of Directors consider that the decisions they have made during the financial year and the way they have acted have promoted the success of the Company for the benefit of its members as a whole, having regard for the stakeholders and matters set out in s172 (1) (a-f) of the Act.

The Company has a well-balanced management structure to ensure our collective messages reach all team members. The team's collaborative approach ensures continuous success across all sectors of the business and a hardworking and enjoyable ethos.

We stay connected through reaching out through formal and informal communication platforms. We continuously invite feedback and encourage proactive development paths for individuals and in turn the business. Our customers, reputation, suppliers and employees have been considered in the overview of the business above.

The directors have complied with the requirements of s.172 of the Companies Act 2006.

ADAPTAVIST GROUP LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Principal risks and uncertainties

The principal risks of the business are:

1. Dependency on the Atlassian market in its current form and its continued growth.
2. Maintaining a strong company culture in the face of accelerated growth and international expansion.
3. Developing and attracting high-quality talent to support and execute the Group's growth plans.

The likelihood of impact and actions to mitigate risks are:

1. Atlassian continues to see significant, stable growth and remains a going concern. It is unlikely the Atlassian market will decline. However, our diversification of revenue streams will mitigate this.
2. The Group continues to invest in recruitment resources to ensure high-quality talent is identified, acquired and retained to support the company's growth plans.
3. Supported by a strong balance sheet and increasing revenues across all lines of business lessens the impacts. Due to the diversification of our business across different geographies, the impacts have so far been minimal.

Currency Risk

The Group is exposed to translation and transaction foreign exchange risk. Foreign exchange differences in assets and liabilities at the balance sheet date are taken to the profit and loss account of the Group.

Credit Risk

The Group's principal credit risk arises from trade debtors. In order to manage credit risk, credit limits are set for customers, determined from payment history and third-party credit references.

Liquidity Risk

The Group ensures sufficient liquidity to meet foreseeable needs and seeks to invest cash into profitable areas. The Group achieves this through management's day-to-day involvement in business decisions.

Key performance indicators

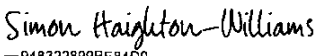
The group measures its financial performance against the level of turnover, net profit achieved, and the cash balance.

	2023	2022
	£	£
Turnover	2,410,817	4,162,643
Turnover Growth	-42%	1588%
Net Profit/(loss)	(4,619,349)	582,622
Cash	303,674	256,163

The directors are satisfied with the results of the KPIs, reflecting the investments made during FY2023 in systems, processes and teams that will deliver payback in future years as we scale-up The Adaptavist Group.

The key performance indicators for the group can be seen on Adaptavist Holdings Limited which is the consolidated entity heading up the group.

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

Signed by:

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S Haighton-Williams
Director
Date: 27-Sep-2024

ADAPTAVIST GROUP LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

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

Directors

The directors who served during the year were:

S Houghton-Williams
J Haynes

Results and dividends

The loss for the year, after taxation, amounted to £4,619,349 (2022 - profit £582,622).

The directors do not recommend payment of a dividend (2022 - £Nil).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Engagement with employees

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the group. This is achieved through regular contact by management with employees both over formal and informal electronic communications.

ADAPTAVIST GROUP LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Engagement with suppliers, customers and others

We understand the importance of strong relationships with our suppliers, customers, and other stakeholders. In FY2023, we focused on fostering these connections through strategic initiatives.

We prioritised building long-term, collaborative relationships with our suppliers. Regular communication and quarterly reviews were introduced to ensure transparency and mutual growth.

We enhanced our customer service by offering personalised support and conducting satisfaction surveys. Customer-focused events, such as webinars and user conferences, were organised to foster community and direct interaction.

We actively engaged with industry partners and community organisations. Participation in industry forums and community initiatives highlighted our commitment to staying informed and driving positive social impact.

Disabled employees

The group does not discriminate against disabled workers for those vacancies that they are able to fill. All necessary assistance and initial training courses are given. Arrangements are made where possible to retain employees who become disabled, where their aptitudes and abilities are identified to enable them to continue performing the necessary role.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

Matters covered in the Strategic Report

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

Signed by:

Simon Haighton-Williams

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S Haighton-Williams
Director

Date: 27-Sep-2024

ADAPTAVIST GROUP LTD

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**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL
STATEMENTS OF ADAPTAVIST GROUP LTD
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

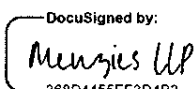
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Adaptavist Group Ltd for the year ended 30 September 2023 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at:
www.icaew.com/en/members/regulations-standards-and-guidance/.

This report is made solely to the Board of Directors of Adaptavist Group Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Adaptavist Group Ltd and state those matters that we have agreed to state to the Board of Directors of Adaptavist Group Ltd, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Adaptavist Group Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Adaptavist Group Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and loss. You consider that Adaptavist Group Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Adaptavist Group Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

DocuSigned by:

368D4455EF3D4B3
Menzies LLP

Chartered Accountants

1st Floor
Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ

Date: 30-Sep-2024

ADAPTAVIST GROUP LTD

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note	2023 £	2022 £
Turnover	4	2,410,817	4,162,643
Gross profit		2,410,817	4,162,643
Administrative expenses		(3,602,234)	(3,725,089)
Operating (loss)/profit	5	(1,191,417)	437,554
Interest receivable and similar income	8	27	-
(Loss)/profit before tax		(1,191,390)	437,554
Tax on (loss)/profit	9	(3,427,959)	145,068
(Loss)/profit after tax		(4,619,349)	582,622
Retained earnings at the beginning of the year		(47,194)	(629,816)
		(47,194)	(629,816)
(Loss)/profit for the year		(4,619,349)	582,622
Retained earnings at the end of the year		(4,666,543)	(47,194)

The notes on pages 12 to 24 form part of these financial statements.

ADAPTAVIST GROUP LTD

REGISTERED NUMBER:06878779

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	10	15,576,779	1,608,894
Tangible assets	11	271,500	244,170
Investments	12	22,638,937	817,450
		<u>38,487,216</u>	<u>2,670,514</u>
Current assets			
Debtors: amounts falling due within one year	13	3,974,263	5,225,739
Bank and cash balances		303,674	256,163
		<u>4,277,937</u>	<u>5,481,902</u>
Creditors: amounts falling due within one year	14	(43,550,698)	(7,746,571)
Net current liabilities		<u>(39,272,761)</u>	<u>(2,264,669)</u>
Total assets less current liabilities		<u>(785,545)</u>	<u>405,845</u>
Provisions for liabilities			
Deferred tax	15	(3,873,275)	(445,316)
		<u>(3,873,275)</u>	<u>(445,316)</u>
Net liabilities		<u>(4,658,820)</u>	<u>(39,471)</u>
Capital and reserves			
Called up share capital	16	59	59
Share premium account	17	7,664	7,664
Profit and loss account	17	(4,666,543)	(47,194)
		<u>(4,658,820)</u>	<u>(39,471)</u>

ADAPTAVIST GROUP LTD
REGISTERED NUMBER:06878779


STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2023

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

Signed by:

.....9483728998E74D.....
S Haighton-Williams
Director

Date: 27-Sep-2024

The notes on pages 12 to 24 form part of these financial statements.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. General information

Adaptavist Group Ltd is a private Company limited by shares, incorporated in the United Kingdom under Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on the company information page. The Company's principal place of business is the same as its registered office.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Adaptavist Holdings Limited as at 30 September 2023 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 4UZ.

2.3 Going concern

The Company has net liabilities of £4,658,820 (2022: £39,471) and has received confirmation of support from Adaptavist Holdings Limited and the wider group, in respect of intercompany loans owed not being recalled for a period of 12 months from the date of signing these financial statements.

As a result of the actions described above, in the Strategic report and the support enjoyed from the wider Adaptavist Group, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

2.4 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Revenue

Revenue is recognised when it is probable that the economic benefit will flow to the company and the benefit can be measured reliably.

Revenue is generated from intercompany sales, based on services provided. Revenue is recognised once the services have been provided.

2.7 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property	-	4 years straight line
Development expenditure	-	5 years straight line

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.10 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 management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 5 years straight line
Computer equipment	- 2 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Impairment of fixed assets and goodwill

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have concluded that there are no significant judgements or key sources of estimation uncertainty that have a significant effect on the amount recognised in the financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Intercompany - UK	2,316,851	4,162,643
Intercompany - Rest of world	93,966	-
	<u>2,410,817</u>	<u>4,162,643</u>

5. Operating (loss)/profit

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

	2023 £	2022 £
Amortisation	1,724,816	873,471
Exchange differences	28,042	(11,838)
Depreciation	241,158	244,320
Other operating lease rentals	672,305	356,301
(Profit)/loss on sale of tangible fixed assets	(4,968)	(1,302)
	<u>2,661,353</u>	<u>1,751,952</u>

6. Employees

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

	2023 No.	2022 No.
Employees	2	2
	<u>2</u>	<u>2</u>

7. Directors' remuneration

The Directors are remunerated for their services in another company within the Adaptavist Holdings Limited Group.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

8. Interest receivable

	2023 £	2022 £
Other interest receivable	27	-
	<u>27</u>	<u>-</u>

9. Taxation

	2023 £	2022 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	3,427,959	(37,414)
Adjustments in respect of previous periods	-	(107,654)
Total deferred tax	<u>3,427,959</u>	<u>(145,068)</u>
Taxation on profit/(loss) on ordinary activities	<u>3,427,959</u>	<u>(145,068)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 22.01% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	<u>(1,191,390)</u>	<u>437,554</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.01% (2022 - 19%)	(262,224)	83,135
Effects of:		
Fixed asset differences	3,364,101	30,395
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	53,519	199,087
Adjustments to tax charge in respect of prior periods	(107,654)	(107,654)
Remeasurement of deferred tax for changes in tax rates	423,158	(8,979)
Group relief	(45,840)	(345,153)
Transfer pricing adjustments	2,899	4,101
Total tax charge for the year	<u>3,427,959</u>	<u>(145,068)</u>

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. Intangible assets

	Intellectual Property £	Development expenditure £	Total £
Cost			
At 1 October 2022	3,501,996	210,584	3,712,580
Additions	15,692,701	-	15,692,701
At 30 September 2023	<u>19,194,697</u>	<u>210,584</u>	<u>19,405,281</u>
Amortisation			
At 1 October 2022	1,893,102	210,584	2,103,686
Charge for the year on owned assets	1,724,816	-	1,724,816
At 30 September 2023	<u>3,617,918</u>	<u>210,584</u>	<u>3,828,502</u>
Net book value			
At 30 September 2023	<u>15,576,779</u>	<u>-</u>	<u>15,576,779</u>
At 30 September 2022	<u>1,608,894</u>	<u>-</u>	<u>1,608,894</u>

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

11. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 October 2022	-	615,163	615,163
Additions	2,703	272,016	274,719
Disposals	-	(125,861)	(125,861)
At 30 September 2023	<u>2,703</u>	<u>761,318</u>	<u>764,021</u>
Depreciation			
At 1 October 2022	-	370,993	370,993
Charge for the year on owned assets	180	240,978	241,158
Disposals	-	(119,630)	(119,630)
At 30 September 2023	<u>180</u>	<u>492,341</u>	<u>492,521</u>
Net book value			
At 30 September 2023	<u>2,523</u>	<u>268,977</u>	<u>271,500</u>
At 30 September 2022	<u>-</u>	<u>244,170</u>	<u>244,170</u>

12. Fixed asset investments

	<i>Investments in subsidiary companies £</i>
Cost or valuation	
At 1 October 2022	817,450
Additions	21,821,487
At 30 September 2023	<u>22,638,937</u>

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Adaptavist Ventures Ltd	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
Adaptavist Canada Limited	18 King Street East, Suite 1400, Toronto, Ontario, M5C 1C4	Ordinary	100%
Adaptavist Inc	12110 Sunset Hills, Road Suite #600 Reston, VA 20190	Ordinary	100%
Adaptavist UK Services Ltd	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
Adaptavist Sdn. Bhd	Business Suite 19A-24-3, Level 24 Wisma UOA, No.19 Jalan Pinang 50450 Kuala Lumpur, Malaysia	Ordinary	100%
Kolekti Limited (formerly ASPV Apps Limited)	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
Salable Limited	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
AVSTC Limited	Adaptavist 25 Wilton Road, Victoria, London, United Kingdom	Ordinary	100%
Adaptavist GmbH	Deichstraße 1, c/o Schomerus & Partner, mbB Steuerberater Rechtsanwälte Wirtschaftsprüfer, 20459, Hamburg	Ordinary	100%
Go2Group Asia Limited	Suite 1701-02, 17/F, Fwd Financial Centre, 308 Des Voeux Road, Central Hong Kong, Hong Kong.	Ordinary	100%
Adaptavist OÜ	Harju maakond, Tallinn, Kesklinnlinnaosa, Narvamnt 5, 10117, Estonia	Ordinary	100%
Gravity Works SA (Pty) Ltd	No 1 Bridgeway Road, Bridgeways Precinct, Century City, Cape Town 7441, South Africa	Ordinary	100%
Gravity Works Consulting (Pty) Limited	No 1 Bridgeway Road, Bridgeways Precinct, Century City, Cape Town 7441, South Africa	Ordinary	100%
AVST Resources SA	No 1 Bridgeway Road, Bridgeways Precinct, Century City, Cape Town 7441, South Africa	Ordinary	100%
Adaptavist BV	Spaces Amsterdam, DeWalvis, Grote Bickersstraat 74-78, 1013 KS Amsterdam, Netherlands	Ordinary	100%
Adaptavist UA	Business Center "STAND", Vasykivska Str. 14, Kyiv, Ukraine, 03040	Ordinary	100%
Adaptavist Pty Ltd	Level 36, Governor Phillip Tower, 1 Farrer	Ordinary	100%
VenITure GmbH	Neuerburgstraße 2, 51103 Köln, Germany	Ordinary	100%
Nimaworks Limited	Agiou Konstantinou str, nr 47, Marousi, 15124	Ordinary	100%
Adaptavist Italy S.r.L	Via Alessandro Manzoni, 36 Cap 20121, Milano	Ordinary	100%

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The following are indirect subsidiaries of Adaptavist Group Limited:

Salenda SL (Calle del Alcalde, Ángel Arroyo 10, planta 2, oficina 1, Getafe, Madrid, Spain).
 Go 2 Group LLC (12110 Sunset Hills Road, Suite #600, Reston, VA 20190).
 Aligned Agility LLC (12110 Sunset Hills Road, Suite #600, Reston, VA 20190).
 VenITure d.o.o. (Slavonskaavenija 1c, 10000, Zagreb, Croatia).
 VenITure d.o.o.(Ul. Fra Didaka Buntica 144 a, Mostar, Bosnia and Herzegovina).
 VenITure FZE (Dubai World Trade Centre).
 VenITure Bilisim Teknolojileri Limited (Esentepe Mah. Büyükdere Cad.).
 VenITure Services GmbH (Neuerburgstraße 2, 51103 Köln, Germany).
 VenITure (Switzerland) GmbH (Wadsack Zug AG Bahnhofstrasse 7 6300 Zug).
 NimaWorks Limited (Agiou Konstantinou str nr 47 Marousi 15124. Greece).

On 14 December 2022, Adaptavist UA LLC was set up by Adaptavist Group Limited.

On 23 November 2022, the Company acquired 100% of the share capital in venITure GmbH and its subsidiaries for cash consideration of £8,591,951 and by transfer of 4,720,866 ordinary C shares in Adaptavist Holdings Limited, with an aggregate nominal value of £4.72 and total value of £12,200,571.

On 2 December 2022, the Company acquired 100% of the share capital in Nimaworks Limited and its subsidiary for cash consideration of £874,621 and issue of 62,102 ordinary E shares in Adaptavist Holdings Limited with an aggregate nominal value of £0.06 and total value of £154,087.

On 26 June 2023, Adaptavist Italy S.r.L was incorporated with a share capital of €10,000. 100% of the shares are held by Adaptavist Group Limited.

On 24 July 2023, venITure (Switzerland) GmbH was incorporated with a share capital of 20,000 CHF. 100% of the shares are held by venITure GmbH, a subsidiary of Adaptavist Group Limited.

Net assets acquired on the acquisition of venITure GmbH and its subsidiaries and Nimaworks Limited and its subsidiary are as follows:

	venITure GmbH and its subsidiaries	<i>Nimaworks Limited and its subsidiary</i>
	£	£
Intangible fixed assets	26,325	-
Tangible fixed assets	125,258	19,044
Cash at bank and in hand	1,194,625	(37,830)
Current assets	2,495,131	337,048
Current liabilities	(3,769,491)	(164,934)

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

13. Debtors

	2023 £	2022 £
Amounts owed by group undertakings	3,622,151	4,589,244
Other debtors	79,937	423,666
Prepayments and accrued income	272,175	212,829
	<u>3,974,263</u>	<u>5,225,739</u>

14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	24,813	191,631
Amounts owed to group undertakings	41,969,619	6,086,556
Other creditors	1,545,766	360,148
Accruals and deferred income	10,500	1,108,236
	<u>43,550,698</u>	<u>7,746,571</u>

15. Deferred taxation

	2023 £
At beginning of year	(445,316)
Charged to profit or loss	(3,427,959)
At end of year	<u><u>(3,873,275)</u></u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(3,873,275)	(445,316)
	<u><u>(3,873,275)</u></u>	<u><u>(445,316)</u></u>

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

16. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
5,000 (2022 - 5,000) A Ordinary Shares shares of £0.01 each	50	50
476 (2022 - 476) B Ordinary Shares shares of £0.01 each	4	4
476 (2022 - 476) C Ordinary Shares shares of £0.01 each	5	5
	<u>59</u>	<u>59</u>

Each ordinary share carries voting rights and there are no restrictions on the distributions of dividends.

17. Reserves

Share premium account

Share premium account records the amount paid for share above of the par value.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

18. Commitments under operating leases

At 30 September 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	1,680	349,512
Later than 1 year and not later than 5 years	-	672,305
	<u>1,680</u>	<u>1,021,817</u>

19. Related party transactions

The Company has taken advantage of the exemption in FRS 102 from disclosing transactions with other wholly owned members of the Adaptavist Holdings Limited group.

ADAPTAVIST GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

20. Parent company

The Company is a wholly owned subsidiary undertaking of Adaptavist Holdings Limited, a company incorporated in England and Wales, whose registered office is Adaptavist 25 Wilton Road, Victoria, London, SW1V 1LW.

The parent company of the largest and smallest group for which consolidated financial statements are drawn up is Adaptavist Holdings Limited, copies of which may be obtained from Companies House, Crown Way, Cardiff, CF14 8UZ.

The ultimate controlling party throughout the year was S Houghton-Williams, by virtue of this shareholdings in Adaptavist Holdings Limited.