

Company Registration No. 04071207 (England and Wales)

CICERO CONSULTING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

CICERO CONSULTING LIMITED

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CICERO CONSULTING LIMITED

COMPANY INFORMATION

Directors	I W Anderson	
	J K Swan	
	M Twigg	
	Mr A R Adamson	(Appointed 28 February 2020)
	Mr N E F Bennett	(Appointed 28 February 2020)
	Mr C Hirst	(Appointed 28 February 2020)
	Mr A J Ross	(Appointed 28 February 2020)
Secretary	Mr A J Ross	
Company number	04071207	
Registered office	Havas House Hermitage Court Hermitage Lane Maidstone ME16 9NT	
Auditor	Constantin 25 Hosier Lane London EC1A 9LQ	

CICERO CONSULTING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of public relations, public affairs and corporate affairs.

Review of the business

"Cicero Group" is the trading name of Cicero Consulting Limited, Cicero Online Limited and Yatterbox Limited.

Cicero Group is a full-service communications and market research agency. We design and deliver award winning corporate, brand, political and regulatory campaigns across all major business sectors from our offices in London, Brussels and Dublin.

In 2019 Cicero was named the largest Public Affairs agency in the UK by the industry trade magazine *PR week*. This is a prestigious award and an important benchmark for prospect clients.

In February 2020, Havas UK acquired a 60% stake in Cicero Group, rebranding as "Cicero/AMO". Havas is a French multinational advertising and public relations company headquartered in Paris. It operates in more than 100 countries and is one of the largest global advertising and communications groups in the world. The Directors believe the acquisition will present considerable growth opportunities across new markets and sectors leveraging the Havas network.

Financial risk management objectives and policies

The Company's operations expose it to a number of risks that include the effect of changes in interest rates, credit, foreign currency exchange rates and liquidity. The Group does not trade in financial instruments.

Interest rate risk

The Company is exposed to interest rate risk on its overdraft facility although borrowings when necessary are relatively small. Accordingly, the Company does not believe it is exposed to significant interest rate risk.

Credit risk

The Company has a significant number of blue-chip clients and is not dependent on a small number of customers. Accordingly, the Company does not believe it is exposed to significant credit risk.

Liquidity risk

Although the Company has borrowings, it maintains sufficient available funds for its operations.

Exchange risk

The principal exchange risk is EUR/GBP. However, Euro receipts from Cicero Online Limited tend to be matched by Euro payables from Cicero Consulting Limited minimizing risk.

Covid-19

The Directors have also considered the impact of the COVID-19 pandemic on the Company's ability to continue as a going concern. The Company has taken all necessary action to ensure no interruption to the business as well as the continued safety, health and wellbeing of the staff. The Company is fully functioning with staff continuing to fully operate and work remotely, via secure remote access, resulting in little if no impact to the day to day activities. In addition, all suppliers to the business have confirmed satisfactory operations are in place to ensure no interruption to the business. The Directors are expecting significant market softness as a result of Covid-19 with an estimated 10-15% reduction in revenues these will be offset with cost cutting measures. In the opinion of the Directors, the business will successfully trade through the pandemic.

CICERO CONSULTING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

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

I W Anderson	
J K Swan	
M Twigg	
H M Walsh	(Resigned 28 February 2020)
T A Frackowiak	(Resigned 28 February 2020)
J W Rowland	(Resigned 28 February 2020)
P Namazi	(Resigned 28 February 2020)
Mr A R Adamson	(Appointed 28 February 2020)
Mr N E F Bennett	(Appointed 28 February 2020)
Mr C Hirst	(Appointed 28 February 2020)
Mr A J Ross	(Appointed 28 February 2020)

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Post reporting date events

The global crisis surrounding the Coronavirus disease has impacted the company's trading operations and results from March 2020 onwards. Whilst it is not possible to predict the full impact at this time, the company remains solvent and has the support of Havas SA.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

CICERO CONSULTING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Auditor

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

Statement of disclosure to auditor

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

J K Swan

Director

4 February 2021

CICERO CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CICERO CONSULTING LIMITED

Opinion

In our opinion the financial statements of Cicero Consulting Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 26 which include the statement for accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

CICERO CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CICERO CONSULTING LIMITED

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 financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 respect of these matters.

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

CICERO CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CICERO CONSULTING LIMITED

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.

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

Other matters which we are required to report

In the previous accounting period, the directors of the company took advantage of audit exemption under s477 of the Companies Act 2006. Therefore, the prior period financial statements were not subject to audit.

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.

Peter Smith FCA (Senior statutory auditor)
for and on behalf of Constantin
Statutory Auditor
London, United Kingdom

4 February 2021

CICERO CONSULTING LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
			as restated
	Notes	£	£
Revenue	3	6,514,886	5,039,107
Cost of sales		(90,248)	(120,403)
		<hr/>	<hr/>
Gross profit		6,424,638	4,918,704
Administrative expenses		(6,439,033)	(4,852,128)
Exceptional item	4	(540,019)	(194,973)
		<hr/>	<hr/>
Operating loss	5	(554,414)	(128,397)
Finance costs	9	(931)	(489)
		<hr/>	<hr/>
Loss before taxation		(555,345)	(128,886)
Tax on loss	10	-	-
		<hr/>	<hr/>
Loss for the financial year		<u>(555,345)</u>	<u>(128,886)</u>

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

CICERO CONSULTING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£	£
Loss for the year	(555,345)	(128,886)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(555,345)	(128,886)
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 23 form part of these financial statements

CICERO CONSULTING LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		2019		2018	
				as restated	
	Notes	£	£	£	£
Non-current assets					
Goodwill	12		112,437		52,880
Property, plant and equipment	13		88,509		61,988
Investments	14		762,139		100
			<u>963,085</u>		<u>114,968</u>
Current assets					
Trade and other receivables	16	1,368,111		1,967,412	
Cash and cash equivalents		144,559		136,542	
		<u>1,512,670</u>		<u>2,103,954</u>	
Current liabilities	17	(1,880,310)		(1,714,561)	
		<u></u>		<u></u>	
Net current (liabilities)/assets			(367,640)		389,393
			<u></u>		<u></u>
Total assets less current liabilities			595,445		504,361
Provisions for liabilities	19		(237)		(237)
			<u></u>		<u></u>
Net assets			595,208		504,124
			<u><u></u></u>		<u><u></u></u>
Equity					
Called up share capital	22		353,295		182,098
Share premium account			947,821		371,645
Capital redemption reserve			30,959		16,293
Retained earnings			(736,867)		(65,912)
			<u></u>		<u></u>
Total equity			595,208		504,124
			<u><u></u></u>		<u><u></u></u>

The financial statements were approved by the board of directors and authorised for issue on 4 February 2021 and are signed on its behalf by:

J K Swan
Director

Company Registration No. 04071207

The notes on pages 12 to 23 form part of these financial statements

CICERO CONSULTING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total £
As restated for the period ended 31 December 2018:						
Balance at 1 January 2018		183,098	371,645	15,293	70,974	641,010
Year ended 31 December 2018:						
Loss and total comprehensive income for the year		-	-	-	(128,886)	(128,886)
Redemption of shares	22	(1,000)	-	1,000	(8,000)	(8,000)
Balance at 31 December 2018		182,098	371,645	16,293	(65,912)	504,124
Year ended 31 December 2019:						
Loss and total comprehensive income for the year		-	-	-	(555,345)	(555,345)
Issue of share capital	22	185,863	576,176	-	-	762,039
Redemption of shares	22	(14,666)	-	14,666	(115,610)	(115,610)
Balance at 31 December 2019		353,295	947,821	30,959	(736,867)	595,208

The notes on pages 12 to 23 form part of these financial statements

CICERO CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Cicero Consulting Limited (04071207) is a private company limited by shares incorporated in England and Wales. The registered office is Havas House, Hermitage Court, Hermitage Lane, Maidstone, ME16 9NT.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

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.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

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.

1.3 Going concern

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

The directors of Havas S.A., the intermediate parent company, have confirmed that they will support the company to enable it to meet its third party liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

CICERO CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

1.4 Revenue

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Website development	50% on cost and 33% on cost
Fixtures, fittings & equipment	50% on cost and 33% on cost
Computer equipment	50% on cost and 33% on cost

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

1.7 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities 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 company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

1.8 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.9 Employee benefits

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

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

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

1.10 Retirement benefits

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

1.11 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no areas of critical judgement or key estimation uncertainty.

CICERO CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Revenue

	2019	2018
	£	£
Revenue analysed by class of business		
Public affairs	4,506,621	3,316,065
Research	699,397	791,591
Public relations communications	1,308,868	931,451
	<u>6,514,886</u>	<u>5,039,107</u>

	2019	2018
	£	£
Revenue analysed by geographical market		
United Kingdom	<u>6,514,886</u>	<u>5,039,107</u>

4 Exceptional costs

	2019	2018
	£	£
Exceptional items	<u>540,019</u>	<u>194,973</u>

Total exceptional costs are £540,019 of this £106,500 relates to external fees in the context of the Cicero sale to HAVAS, £415,184 relates to an inter-company loan write off and £18,335 relates to fraudulent activities.

5 Operating loss

	2019	2018
	£	£
Operating loss for the year is stated after charging:		
Exchange losses	1,485	-
Depreciation of owned property, plant and equipment	54,738	26,766
Amortisation of intangible assets	18,083	5,590
Impairment of intangible assets	<u>22,360</u>	<u>-</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £1,485 (2018 - £-).

CICERO CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	14,500	-
	<u>14,500</u>	<u>-</u>

7 Employees

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

	2019	2018
	Number	Number
	61	49
	<u>61</u>	<u>49</u>

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	3,995,568	2,979,562
Social security costs	466,964	340,673
Pension costs	150,473	139,523
	<u>4,613,005</u>	<u>3,459,758</u>

8 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	1,477,897	1,283,255
	<u>1,477,897</u>	<u>1,283,255</u>

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

	2019	2018
	£	£
Remuneration for qualifying services	242,326	223,692
	<u>242,326</u>	<u>223,692</u>

CICERO CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Finance costs

	2019	2018
	£	£
Other finance costs:		
Other interest	931	489
	<u> </u>	<u> </u>

10 Taxation

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

	2019	2018
	£	£
Loss before taxation	(555,345)	(128,886)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(105,516)	(24,488)
Tax effect of expenses that are not deductible in determining taxable profit	73,113	1,013
Unutilised tax losses carried forward	89,505	33,539
Adjustments in respect of prior years	(31,003)	4,759
Permanent capital allowances in excess of depreciation	(7,729)	3,461
Amortisation on assets not qualifying for tax allowances	3,436	1,062
Research and development tax credit	(21,806)	(19,346)
	<u> </u>	<u> </u>
Taxation charge for the year	-	-
	<u> </u>	<u> </u>

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2019	2018
		£	£
In respect of:			
Goodwill	12	22,360	-
		<u> </u>	<u> </u>
Recognised in:			
Administrative expenses		22,360	-
		<u> </u>	<u> </u>

CICERO CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2019	80,830
Additions - separately acquired	100,000
	<hr/>
At 31 December 2019	180,830
	<hr/>
Amortisation and impairment	
At 1 January 2019	27,950
Amortisation charged for the year	18,083
Impairment losses	22,360
	<hr/>
At 31 December 2019	68,393
	<hr/>
Carrying amount	
At 31 December 2019	112,437
	<hr/> <hr/>
At 31 December 2018	52,880
	<hr/> <hr/>

More information on the impairment arising in the year is given in note 11.

13 Property, plant and equipment

	Website development £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At 1 January 2019	303,151	186,637	81,499	571,287
Additions	-	38,844	42,415	81,259
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	303,151	225,481	123,914	652,546
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
At 1 January 2019	257,213	187,820	64,266	509,299
Depreciation charged in the year	9,251	25,117	20,370	54,738
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	266,464	212,937	84,636	564,037
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 31 December 2019	36,687	12,544	39,278	88,509
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2018	45,938	(1,183)	17,233	61,988
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CICERO CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	15	762,139	100

Movements in non-current investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2019	100
Additions	762,039
At 31 December 2019	762,139
Carrying amount	
At 31 December 2019	762,139
At 31 December 2018	100

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Yatterbox Limited	1	Social media monitoring service	Ordinary	100.00	0
Cicero Online Limited	1	Online subscription services	Ordinary	100.00	0

Registered Office address:

1 Havas House, Hermitage Court, Hermitage Lane, Maidstone, ME16 9NT

CICERO CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Trade and other receivables

	2019	2018
	£	£
Amounts falling due within one year:		
Trade receivables	1,004,071	770,785
Bad debt provision	(111,718)	(36,797)
Amounts owed by group undertakings	-	343,688
Other receivables	156,870	226,631
Prepayments	83,576	130,705
Accrued income	235,312	532,400
	<u>1,368,111</u>	<u>1,967,412</u>

17 Current liabilities

	2019	2018
	£	£
	Notes	
Bank loans and overdrafts	18	5,435
Trade payables		461,116
Amounts owed to group undertakings		568,245
Corporation tax		-
Other taxation and social security		514,239
Other payables		100,000
Accruals		220,045
Deferred income		11,230
		<u>1,880,310</u>
		<u>1,714,561</u>

18 Borrowings

	2019	2018
	£	£
Bank overdrafts	5,435	55,159
	<u>5,435</u>	<u>55,159</u>
Payable within one year	5,435	55,159
	<u>5,435</u>	<u>55,159</u>

CICERO CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

19 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	20	237	237
		<u> </u>	<u> </u>

20 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	237	237
	<u> </u>	<u> </u>

There were no deferred tax movements in the year.

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	150,473	139,523
	<u> </u>	<u> </u>

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

22 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
3,532,950 Ordinary shares of 10p each	353,295	182,098
	<u> </u>	<u> </u>

During the year the company issued 1,858,632 ordinary shares of 10p each at a cost of 41p per share.

CICERO CONSULTING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****23 Financial commitments, guarantees and contingent liabilities**

The company has provided a debenture to HSBC Bank plc in relation to its overdraft facility, which is secured by a fixed and floating charge over the assets of the company.

24 Operating lease commitments

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

	2019	2018
	£	£
Within one year	99,037	407,763

25 Events after the reporting date

The World Health Organisation declared the Coronavirus disease a public health emergency of international concern on 30 January 2020 and recognised it as a pandemic on 11 March 2020. The disease started to have a significant impact on the UK and its economy in March 2020, with lockdown commencing on 23 March. At this stage in the global crisis, whilst it is clear that there will be a negative impact on the company's business results, it is not possible to predict the full impact. The company remains solvent and has the support of Havas SA.

26 Related party transactions

At 31 December 2019 £nil (2018: £343,688) was owed to Cicero Consulting Limited by Yatterbox Limited, a 100% subsidiary of the company.

At 31 December 2019 £562,003 (2018: £550,034) was owed by Cicero Consulting Limited to Cicero Online Limited, a 100% subsidiary of the company.

27 Ultimate controlling party

The company's immediate parent company and controlling party is Havas UK, which is incorporated in the United Kingdom and registered in England & Wales. The company's ultimate controlling party is Vivendi S.A., which is incorporated in France.

The smallest and largest group in which the results of the company are consolidated is that headed by Vivendi S.A., whose financial statements are available in English and French from Vivendi S.A., 42 avenue de Friedland, 75380 Paris Cedex 08, France and from Vivendi website at www.vivendi.com/investment-analysts/financial-results-and-reports/financial-results/.

CICERO CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

28 Prior period adjustment

Cicero Consulting Limited has made a prior year adjustment of £25,050 in relation to professional fees incurred during the acquisition of Westbourne Comms Company Limited.

Changes to the statement of financial position

	At 31 December 2018		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	2,105,533	(138,121)	1,967,412
Creditors due within one year			
Other payables	(1,234,239)	(25,050)	(1,259,289)
	<u> </u>	<u> </u>	<u> </u>
Net assets	667,295	(163,171)	504,124
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	97,259	(163,171)	(65,912)
	<u> </u>	<u> </u>	<u> </u>

Changes to the income statement

	Period ended 31 December 2018		
	As previously reported	Adjustment	As restated
	£	£	£
Revenue	5,125,391	(86,284)	5,039,107
Exceptional items	(118,086)	(76,887)	(194,973)
	<u> </u>	<u> </u>	<u> </u>
Profit/(loss) for the financial period	34,285	(163,171)	(128,886)
	<u> </u>	<u> </u>	<u> </u>

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