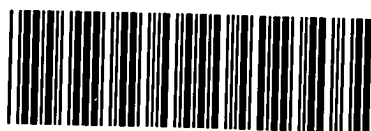


**ADAMAS CONSULTING GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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COMPANIES HOUSE

# ADAMAS CONSULTING GROUP LIMITED

## COMPANY INFORMATION

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|                          |   |
|--------------------------|---|
| <b>Directors</b>         | M Reljanovic<br>R Barfield (Appointed 9 February 2022. Resigned 3 February 2023)<br>G Dickinson (Appointed 20 November 2012. Resigned 9 February 2022)<br>Dr P Fitzgerald (Appointed 20 November 2012. Resigned 9 February 2022)<br>I A Montague (Appointed 1 November 2019. Resigned 27 June 2022)<br>J Curtain (Appointed 26 June 2023) |
| <b>Secretary</b>         | J Bletcher (Appointed 9 February 2022)<br>N McKelvie (Appointed 20 November 2012. Resigned 9 February 2022)   |
| <b>Company number</b>    | 08299519  |
| <b>Bankers</b>           | HSBC<br>9 High Street<br>Bracknell<br>Berkshire<br>RG12 1ND   |
| <b>Solicitors</b>        | Moorcrofts LLP<br>Thames House<br>Mere Park<br>Marlow<br>SL7 1PB  |
| <b>Registered office</b> | 1 Occam Court<br>Surrey Research Park<br>Guildford<br>Surrey<br>GU2 7HJ   |
| <b>Auditor</b>           | KPMG<br>Chartered Accountants<br>1 Stokes Place<br>St Stephen's Green<br>Dublin 2<br>Ireland  |

# **ADAMAS CONSULTING GROUP LIMITED**

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# ADAMAS CONSULTING GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The Directors present their report and the financial statements for the year ended 31 December 2022.

#### Results and dividends

The results for the year are set out on page 7.

The Directors do not recommend the payment of a dividend (2021: £50,000).

#### Directors

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

M Reljanovic

R Barfield *(Appointed 9 February 2022. Resigned 3 February 2023)*

G Dickinson *(Appointed 20 November 2012. Resigned 9 February 2022)*

Dr P Fitzgerald *(Appointed 20 November 2012. Resigned 9 February 2022)*

I A C Montague *(Appointed 1 November 2019. Resigned 27 June 2022)*

J Curtain *(Appointed 26 June 2023)*

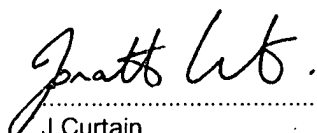
#### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG, Chartered Accountants, will therefore continue in office.

#### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the board



J Curtain

Date: 30 June 2023

1 Occam Court  
Surrey Research Park  
Guildford, Surrey  
United Kingdom  
GU2 7HJ

# ADAMAS CONSULTING GROUP LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

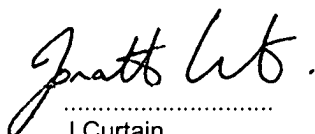
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, including Section 1A.

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 estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



J Curtain

**Director**

Date: 30 June 2023



KPMG

Audit  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Adamas Consulting Group Limited

**Report on the audit of the financial statements**

***Opinion***

We have audited the financial statements of Adamas Consulting Group Limited ('the Company') for the year ended December 31, 2022 set out on pages 7 to 20, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is UK Law and FRS FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, including Section 1A.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at December 31, 2022 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, including Section 1A; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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***

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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



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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

***Detecting irregularities including fraud***

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board and Audit committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.



In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

#### **Other information**

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

#### **Opinions on other matters prescribed by the Companies Act 2006**

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report have been prepared in accordance with the Companies Act 2006.

#### ***Matters on which we are required to report by exception***

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.





## **Respective responsibilities and restrictions on use**

### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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 fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### ***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

30 June 2023

John Corrigan (Senior Statutory Auditor)

for and on behalf of

KPMG, Statutory Auditor

1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03

# ADAMAS CONSULTING GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

|  | Notes | 2022<br>£        | 2021<br>£        |
|--|-------|------------------|------------------|
| Turnover                               |       | 1,367,409        | 1,434,512        |
| Cost of sales                          |       | -                | (4,807)          |
| <b>Gross profit</b>                    |       | <b>1,367,409</b> | <b>1,429,705</b> |
| Administrative expenses                |       | (1,693,498)      | (1,237,071)      |
| Other operating income                 |       | -                | -                |
| Investment income                      |       | -                | 250,000          |
| <b>Operating (loss)/profit</b>         |       | <b>(326,089)</b> | <b>442,634</b>   |
| Interest receivable and similar income |       | -                | -                |
| Interest payable and similar expenses  |       | -                | -                |
| <b>(Loss)/profit before tax</b>        |       | <b>(326,089)</b> | <b>442,634</b>   |
| Tax income                             | 4     | (101,885)        | (57,919)         |
| <b>(Loss)/profit after tax</b>         |       | <b>(427,974)</b> | <b>384,715</b>   |

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

The notes on pages 10 to 20 form part of these financial statements.

# ADAMAS CONSULTING GROUP LIMITED

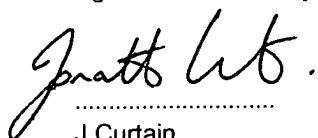
## BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2022

|  |              | 2022             | 2021           |
|--|--------------|------------------|----------------|
|  |              | £                | £              |
| <b>Fixed assets</b>  | <b>Notes</b> |                  |                |
| Intangible assets  | 5            | 15,414           | 34,657         |
| Tangible assets  | 6            | 935              | 4,878          |
| Investments  | 7            | 311,202          | 311,202        |
|  |              | <u>327,551</u>   | <u>350,737</u> |
| <b>Current assets</b>                                      |              |                  |                |
| Debtors  | 8            | 343,648          | 614,848        |
| Cash at bank and in hand                                   | 9            | 163,009          | 60,224         |
|  |              | <u>506,657</u>   | <u>675,072</u> |
| Creditors: amounts falling due within one year             | 10           | (681,931)        | (513,567)      |
| <b>Net current (liabilities)/assets</b>                    |              | <u>(175,274)</u> | <u>161,505</u> |
| <b>Total assets less current liabilities</b>               |              | 152,277          | 512,242        |
| <b>Provisions for liabilities</b>                          |              |                  |                |
| Deferred taxation  | 11           | (4,088)          | (9,884)        |
|  |              | <u>(4,088)</u>   | <u>(9,884)</u> |
| <b>Net assets</b>  |              | <u>148,189</u>   | <u>502,358</u> |
| <b>Capital and reserves</b>                                |              |                  |                |
| Called up share capital                                    | 12           | 10,000           | 10,000         |
| Other reserves   | 13           | 73,805           | -              |
| Profit and loss account                                    | 13           | 64,384           | 492,358        |
| <b>Equity attributable to owners of the parent Company</b> |              | <u>148,189</u>   | <u>502,358</u> |

The notes on pages 10 to 20 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 30 June 2023 and are signed on its behalf by:



J Curtain

Director

Company Registration No. 08299519

# ADAMAS CONSULTING GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2022**

|                                    | Called up<br>share<br>capital | Other<br>reserves | Retained<br>Earnings | Total equity   |
|------------------------------------|-------------------------------|-------------------|----------------------|----------------|
|                                    | £                             | £                 | £                    | £              |
| Balance at 1 January 2021          | 10,000                        | -                 | 157,643              | 167,643        |
| Profit for the year                | -                             | -                 | 384,715              | 384,715        |
| Dividends                          | -                             | -                 | (50,000)             | (50,000)       |
| <b>Balance at 31 December 2021</b> | <b>10,000</b>                 | <b>-</b>          | <b>492,358</b>       | <b>502,358</b> |
| Loss for the year                  | -                             | -                 | (427,974)            | (427,974)      |
| Other reserves movement            | -                             | 73,805            | -                    | 73,805         |
| <b>Balance at 31 December 2022</b> | <b>10,000</b>                 | <b>73,805</b>     | <b>64,384</b>        | <b>148,189</b> |

The notes on pages 10 to 20 form part of these financial statements.

# ADAMAS CONSULTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1. General information

ADAMAS Consulting Group Limited (the "Company") is a private company limited by shares incorporated and domiciled in the United Kingdom. The registered office is 1 Occam Court, Surrey Research Park, Guildford, Surrey, United Kingdom, GU2 7HJ and the registered number is 08299519.

These financial statements are presented in pounds sterling, being the functional currency of the Company.

#### 2. Accounting policies

##### 2.1 Basis of preparation

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

##### 2.2 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will have sufficient funds to continue in operational existence for the foreseeable future, being a period of no less than 12 months from the date of signing of the financial statements. The Directors have reviewed a cash flow forecast for the period to 31 December 2025, which is derived from the 2022 Board approved budget and a medium-term cash flow forecast through to 31 December 2025 for Ergomed plc Group ("the Group"), for which the Company is part of. The cash flow forecast, which is an extrapolation of the approved budget under multiple scenarios and growth rates. The 2023 budget and medium-term forecast represents the Directors' best estimate of the Group's future performance and necessarily includes a number of assumptions, including the level of revenues. The 2023 budget and medium-term forecast demonstrate that the Directors have a reasonable expectation that the Group and therefore the Company will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.

On the basis of the above factors and, having made appropriate enquiries, the Directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

##### 2.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies in these financial statements, the Directors are required to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately 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.

##### *Critical judgements in applying the Company's accounting policies*

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### *Key sources of estimation uncertainty*

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**ADAMAS CONSULTING GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Accounting policies (continued)**

2.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the cost incurred and the costs to complete the contract can be measured reliably.

**2.5 Retirement benefits**

The Company operates defined contribution pension plans for employees. The plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

**2.6 Share based payments**

The Group operates an equity-settled share-based option scheme under which the Company receives services from employees in consideration for equity instruments ('options') over shares in the Parent (Ergomed plc). The grant-date fair value of the options is recognised as an expense, with the corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**2.7 Current Tax**

The tax expense or credit for the year comprises the sum of current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

**2.8 Deferred tax**

Deferred taxation is provided on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets and liabilities are not recognised for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax is provided based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are enacted or substantively enacted at the reporting date.

**ADAMAS CONSULTING GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.9 Intangible assets**

Internally generated intangible assets, being costs of development of computer software, are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

The computer software will subsequently be carried at costs less accumulated amortisation and accumulated impairment losses. These costs will be amortised to profit or loss using the straight-line method over their estimated useful lives of five years, once the asset is in use.

|                      |         |
|----------------------|---------|
| Software development | 5 years |
|----------------------|---------|

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in the profit and loss when the change arises.

**2.10 Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                       |                     |
|-----------------------|---------------------|
| Fixtures and fittings | 25.0% Straight Line |
| Computer equipment    | 33.3% Straight Line |

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

**2.11 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.

**2.12 Cash and cash equivalents**

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

**ADAMAS CONSULTING GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.13 Financial instruments**

***Recognition and initial measurement***

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

At initial recognition, the Company measures a financial asset or liability at its fair value plus, in the case of an item not at fair value through profit or loss ('FVPL'), transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at FVPL are expensed in profit or loss. Trade receivables are initially measured at the transaction price.

***Classification***

***Financial assets***

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ('FVOCI') or through profit or loss ('FVPL')); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Trade and other receivables, accrued income (contract assets) and cash and cash equivalents are measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

***Financial liabilities***

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Trade and other payables are measured at amortised cost.

***Subsequent measurement***

***Financial assets***

Fair value through profit or loss: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

***Financial liabilities***

Amortised cost: These liabilities are initially measured at fair value, net of transaction costs. Subsequently they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.



# ADAMAS CONSULTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. Accounting policies (continued)

##### 2.13 Financial instruments (continued)

###### **Impairment**

The Company recognises loss allowances for expected credit losses ('ECLs') on financial assets measured at amortised cost and accrued revenue (contract assets).

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets (accrued revenue). To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on historical credit losses as a percentage of revenues adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

###### *Measurement of ECLs*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive) at the effective interest rate of the financial asset.

###### *Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

###### *Write-offs*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

###### **Fair value measurements**

Fair value measurements are categorised as level 1, 2 or 3 within the fair value hierarchy. The fair value hierarchy categorises inputs to valuation techniques into the following levels, based on their observability:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

**ADAMAS CONSULTING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.14 Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

**3. Employees**

The average monthly number of persons (including directors) employed by the Company during the year was 8 (2021: 8).

**4. Taxation**

|   | <b>2022</b>      | <b>2021</b>   |
|---|------------------|---------------|
|   | <b>£</b>         | <b>£</b>      |
| <b>Current tax</b>  |                  |               |
| Current year taxation (income)/charge                       | (60,646)         | 54,404        |
| Adjustments in respect of prior periods                     | (41,225)         | -             |
|   | <u>(101,871)</u> | <u>54,404</u> |
| Double taxation relief                                      | 5,782            | -             |
|   | <u>(96,089)</u>  | <u>54,404</u> |
| <b>Deferred tax</b>   |                  |               |
| Origination and reversal of temporary differences (note 11) | (5,796)          | 3,515         |
| Total tax (income)/charge                                   | <u>(101,885)</u> | <u>57,919</u> |

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

|   | <b>2022</b>      | <b>2021</b>    |
|---|------------------|----------------|
|   | <b>£</b>         | <b>£</b>       |
| (Loss)/Profit before taxation   | <u>(326,089)</u> | <u>442,634</u> |
| Expected tax (income)/charge based on a corporation tax rate of 19.00% (2021: 19.00%) | (61,957)         | 84,100         |
| Fixed asset differences   | -                | (26,554)       |
| Non-deductible expenses   | -                | -              |
| Other permanent differences   | -                | -              |
| Adjustment in respect of prior years  | (41,225)         | -              |
| Timing differences arising in the year  | -                | 373            |
| Effect of changes in deferred tax rate  | 1,297            | -              |
| Tax (income)/charge for the year  | <u>(101,885)</u> | <u>57,919</u>  |

**ADAMAS CONSULTING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. Intangible fixed assets**

|  | <b>Software<br/>Development<br/>£</b> |
|--|---------------------------------------|
| <b>Cost</b>                                    |                                       |
| At 1 January 2022                              | 97,440                                |
| Additions                                      | -                                     |
| Disposals                                      | -                                     |
| At 31 December 2022                            | <u>97,440</u>                         |
| <b>Accumulated amortisation and impairment</b> |                                       |
| At 1 January 2022                              | 62,783                                |
| Charge for the year                            | 19,243                                |
| At 31 December 2022                            | <u>82,026</u>                         |
| <b>Carrying amount</b>                         |                                       |
| At 31 December 2022                            | <u>15,414</u>                         |
| At 31 December 2021                            | <u>34,657</u>                         |

**6. Tangible fixed assets**

|  | <b>Fixtures and<br/>fittings<br/>£</b> | <b>Office &amp;<br/>computer<br/>equipment<br/>£</b> | <b>Total<br/>£</b> |
|--|--|--|--------------------|
| <b>Cost</b>                                    |  |  |                    |
| At 1 January 2022                              | 10,062                                 | 41,005   | 51,067             |
| Additions                                      | -                                      | -  | -                  |
| At 31 December 2022                            | <u>10,062</u>                          | <u>41,005</u>  | <u>51,067</u>      |
| <b>Accumulated depreciation and impairment</b> |  |  |                    |
| At 1 January 2022                              | 10,062                                 | 36,127   | 46,189             |
| Charge for the year on owned assets            | -                                      | 3,943  | 3,943              |
| At 31 December 2022                            | <u>10,062</u>                          | <u>40,070</u>  | <u>50,132</u>      |
| <b>Carrying amount</b>                         |  |  |                    |
| At 31 December 2022                            | <u>-</u>                               | <u>935</u>   | <u>935</u>         |
| At 31 December 2021                            | <u>-</u>                               | <u>4,878</u>   | <u>4,878</u>       |

**ADAMAS CONSULTING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**7. Fixed asset investments**

|                                | <b>Investments<br/>in subsidiary<br/>companies<br/>£</b> |
|--------------------------------|--|
| <b>Cost</b>                    |  |
| At 1 January 2022              | <u>311,202</u>   |
| At 31 December 2022            | <u>311,202</u>   |
| <b>Subsidiary undertakings</b> |  |

The following were subsidiary undertakings of the Company:

| <b>Name</b>  | <b>Registered Office</b> | <b>Holding</b> |
|--|--------------------------|----------------|
| Adamas Consulting Limited                          | UK                       | 100%           |
| Adamas Consulting LLC                              | USA                      | 100%           |
| Adamas Clinical Quality Consulting Private Limited | India                    | 99.99%         |

**8. Debtors**

|                                   | <b>2022</b>           | <b>2021</b>    |
|-----------------------------------|-----------------------|----------------|
|                                   | <b>£</b>              | <b>£</b>       |
| Trade debtors                     | -                     | -              |
| Amount owed by group undertakings | <b>248,203</b>        | 184,107        |
| Other debtors                     | -                     | 369,146        |
| Prepayments and accrued income    | <b>58,079</b>         | 61,595         |
| Deferred tax asset                | <b>22,563</b>         | -              |
| VAT                               | <b>14,803</b>         | -              |
|                                   | <u><b>343,648</b></u> | <u>614,848</u> |

The amounts due from group undertakings are non-interest bearing and repayable on demand.

**ADAMAS CONSULTING GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**9. Cash and cash equivalents**

|                          | 2022           | 2021          |
|--------------------------|----------------|---------------|
|                          | £              | £             |
| Cash at bank and in hand | <u>163,009</u> | <u>60,224</u> |
|                          | <u>163,009</u> | <u>60,224</u> |

**10. Creditors**

|                                    | 2022           | 2021           |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Trade creditors                    | 27,494         | 260,545        |
| Amount owed to group undertakings  | 424,078        | 114,254        |
| Corporation tax                    | 119,620        | 16,393         |
| Other taxation and social security | 18,149         | 56,910         |
| Other creditors                    | -              | 1              |
| Accruals and deferred income       | <u>92,590</u>  | <u>65,464</u>  |
|                                    | <u>681,931</u> | <u>513,567</u> |

The amounts due to group undertakings are non-interest bearing and repayable on demand.

**11. Deferred taxation**

|                           | 2022           | 2021           |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| At beginning of year      | (9,884)        | (6,369)        |
| Charged to profit or loss | <u>5,796</u>   | <u>(3,515)</u> |
| <b>At end of year</b>     | <u>(4,088)</u> | <u>(9,884)</u> |

|                                | 2022           | 2021           |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Accelerated capital allowances | (4,088)        | (9,884)        |
| Unpaid pension contributions   | <u>-</u>       | <u>-</u>       |
|                                | <u>(4,088)</u> | <u>(9,884)</u> |

**ADAMAS CONSULTING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**12. Share capital**

|   | <b>2022</b>          | <b>2021</b>   |
|---|----------------------|---------------|
|   | <b>£</b>             | <b>£</b>      |
| <b>Allotted, called up and fully paid</b>             |                      |               |
| 999,998 (2021: 999,998) Ordinary shares of £0.01 each | <u><b>10,000</b></u> | <u>10,000</u> |
|   | <u><b>10,000</b></u> | <u>10,000</u> |

**13. Reserves**

**Other reserves**

This reserve records the fair value of share options awarded to employees over the vesting period of the options. See note 2.6 for the Group's accounting policy on share based payments. See note 14 for details on the movement during the period.

**Profit and loss account**

This reserve includes all current and prior period retained profits and loss made by the Group. Dividends declared reduce the value of this reserve.

**14. Share based payments**

During the year a charge of £73,805 (2021: £nil) was recognised in Adamas Consulting Group Limited in relation to equity-settled transactions with employees of Adamas Consulting Group Limited. The amount was measured by reference to the fair value of the equity instrument at the date they are granted. The fair value of the equity instrument was been calculated by using the Black-Scholes option pricing model. The options relate to shares in Adamas Consulting Group Limited and Ergomed plc. None of the share options have been exercised at the end of the year. As a result the total number of options outstanding at the year end is 23,238 (2021: 100,000).

**15. Related party transactions**

The Company has taken advantage of exemptions from disclosing related party transactions on the grounds that it is a wholly owned subsidiary of a group headed by Ergomed plc, whose financial statements are publicly available. Related party transactions of the Group are disclosed in the Financial Statements of Ergomed plc.

# **ADAMAS CONSULTING GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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### **16. Controlling party**

On 9 February 2022, Ergomed plc, incorporated in England and Wales, purchased the entire share capital of the company and are the ultimate controlling party. The smallest and largest undertaking for which the Company is a member and for which group financial statements are prepared is Ergomed plc, of which the registered office is 1 Occam Court, Surrey Research Park, Guildford, GU2 7HJ, United Kingdom.

### **17. Subsequent events**

There have been no events or circumstances since the balance sheet date that would significantly affect the Company.