

# **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

GEMSERV LIMITED



**Gemserve**





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# DIRECTORS, OFFICERS, ADVISERS AND STATUTORY INFORMATION



## NON-EXECUTIVE DIRECTORS

Meriel Lenfestey, Chair

Dr Annette Nabavi, Senior Independent Non-Executive Director

David Brown, Independent Non-Executive Director

Dr Sue Sharland, Independent Non-Executive Director

## EXECUTIVE DIRECTORS

Alex Goody, Chief Executive

Daniel Carter-Clout, Chief Financial Officer and Company Secretary

Jonathan Harley, Executive Director

## OFFICERS

Miriam Atkin, Director of Energy

Trevor Hutchings, Director of Strategy, Communications and Public Sector

Mandeep Thandi, Director of Cyber & Digital

Ilias Vazaios, Director of Low Carbon

## BANKERS

The Royal Bank of Scotland plc

62/63 Threadneedle Street, London, EC2R 8LA

## AUDITOR

PKF Littlejohn LLP

15 Westferry Circus, London, E14 4HD

## REGISTERED OFFICE

8 Fenchurch Place, London, EC3M 4AJ

Telephone: 020 7090 1000

Email: [companysecretary@gemserv.com](mailto:companysecretary@gemserv.com)

Company Registration Number: 4419878

## IRELAND OFFICE

Fitzwilliam Hall Business Centre, Fitzwilliam Place,  
Dublin 2

Telephone: +353 (0) 1 699 4630

Email: [business.support@gemserv.com](mailto:business.support@gemserv.com)

# CHAIR'S STATEMENT

For several years Gemserv has been reducing its dependency on a few core contracts in the full knowledge that our founding contract, the Master Registration Agreement (MRA), was going to come to a natural conclusion. Our strategy focussed on evolving our competencies to help drive digital transformation in the energy sector, as well as on diversification into similarly complex core sectors. We've made great progress with both:

- **2020 saw us selected to work alongside Deloitte LLP and Capgemini UK plc in delivering the Retail Energy Code (REC)** as the replacement to the MRA. This reflects both the reputation for quality that Gemserv has in the industry and expresses confidence in the vision we have for the future.
- **We've continued to invest in growth** and diversification aligned with our purpose to make things that matter work better for everyone. Of particular note in this period, our health sector revenues have tripled, and we have acquired Ecuity Advisory Ltd giving a real boost to our low carbon capabilities. Our previous acquisitions are now fully integrated and delivering well.

This progress places us on track in our ambitious five-year strategy, to grow and diversify into a leading professional services firm in a world driven by data and technology.

As with all businesses we have been impacted by the Covid-19 pandemic. Although this has required some restructuring and new ways of working it has also driven public and political engagement in several of our focus areas which gives us even more confidence for the future. Gemserv places people and planet at the heart of our decision making both through the services we offer and in the way we operate.

This year has seen two NED departures as Simon Wills and Matthew Rees both stepped down, having contributed enormously to the success of the company over the past half decade. I'm delighted to welcome Sue Sharland and David Brown to the board. Together they bring experience across public sector, energy, health and digital transformation – all key aspects of our strategy.

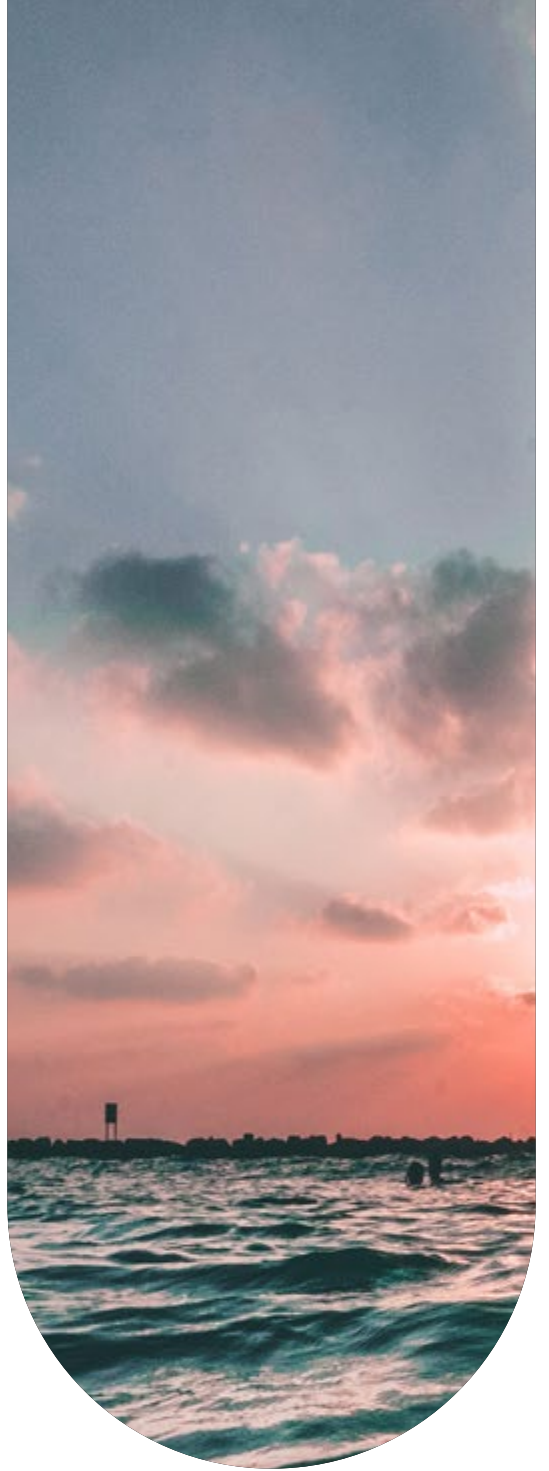
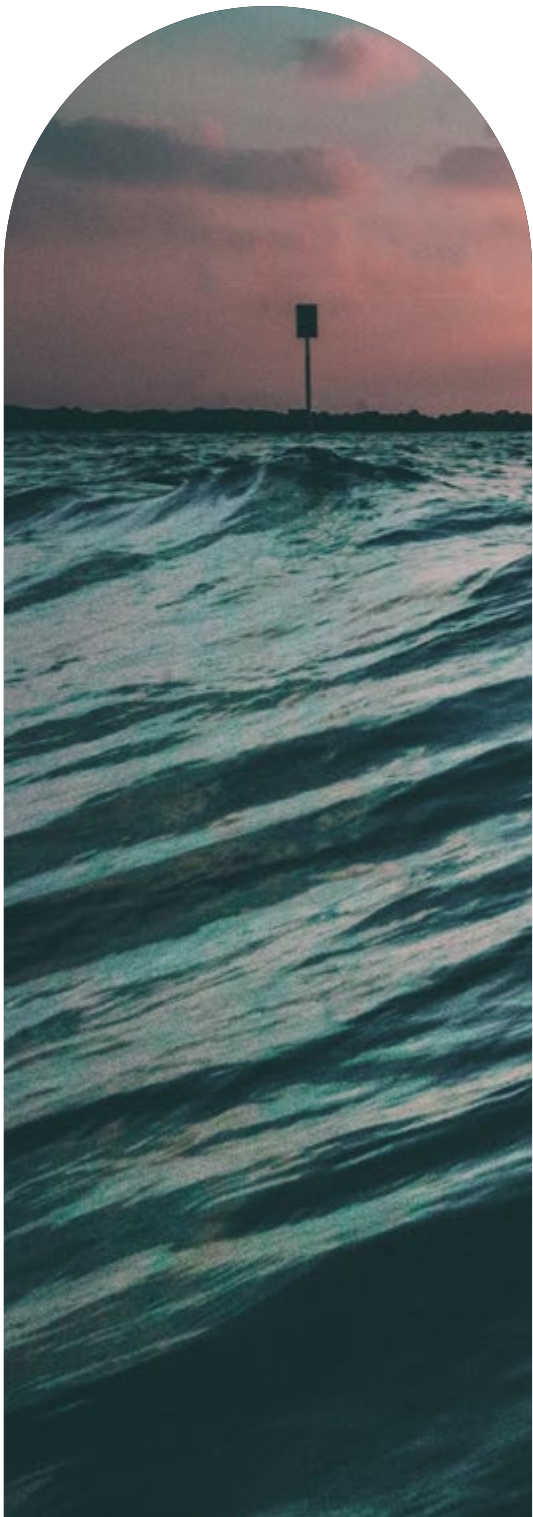
Our strong culture and values have made a real difference to the way we have coped through this challenging year. I would like to express my thanks to all Gemserv staff for the commitment and flexibility they have demonstrated over the past year, and to extend a warm welcome to our new colleagues who come in from Ecuity.

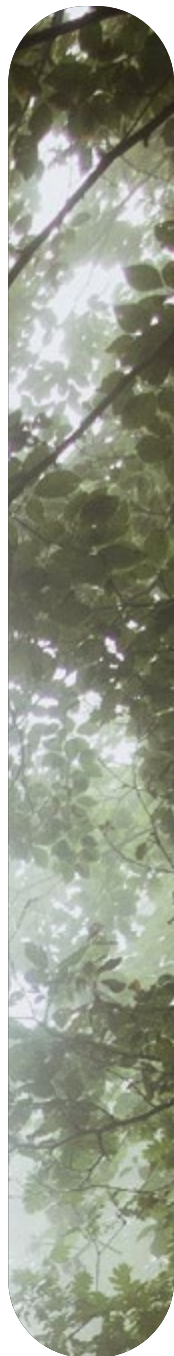
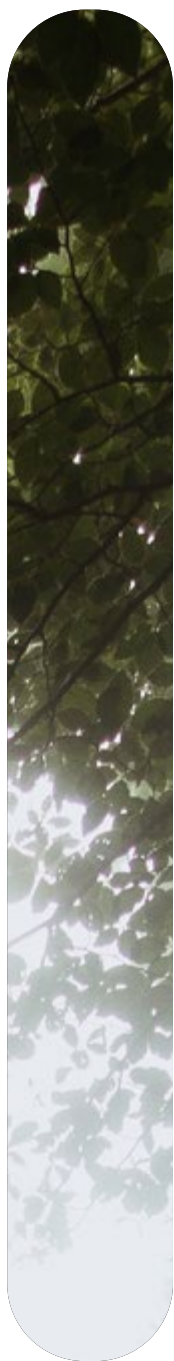
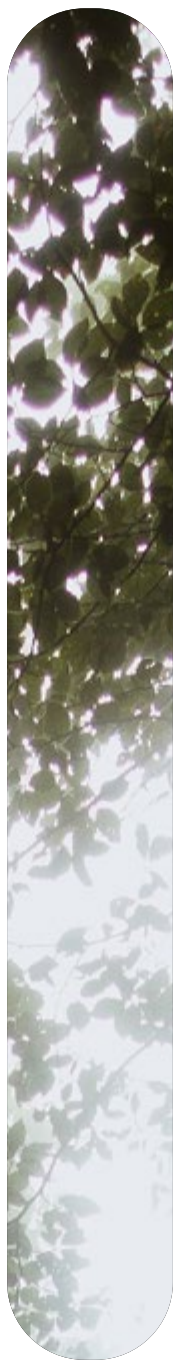
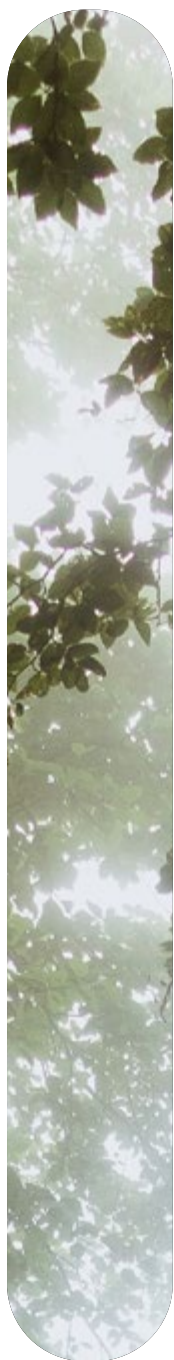
Despite all the challenges, I am pleased to declare a dividend of 103.07p per share which reflects our strong financial performance and the Board's confidence for the year ahead.



**Meriel Lenfestey**  
Chair

9<sup>th</sup> June 2021









# CHIEF EXECUTIVE'S REPORT

I am immensely proud of the team at Gemserv for their hard work and dedication in this exceptional year. In March 2020, like so many companies, we shut our offices and asked our staff to work from home as the pandemic took hold. All our colleagues have been personally impacted by this terrible virus.

We worked with our clients to transition from largely office-based service delivery to remote working, and we were impacted by businesses pulling back from discretionary spend. However, our investments in digital technology and a diversified business model allowed us to pivot existing business to these new conditions and change our commercial propositions for the new opportunities that arose. We set the company budget for the year before the full impact of Covid-19 was known and we finished the year ahead of budget and on track as we enter year three of our five-year strategy. This year saw a company record sales figure of over £23m with key wins across all areas of the business. This demonstrates the amazing culture at Gemserv, the resilience of the existing business and the benefits of a diversified portfolio.



**Alex Goody**  
Chief Executive

9<sup>th</sup> June 2021

Covid has sped up existing environmental and societal trends and allowed us to see with greater clarity how Gemserv can make a difference. From overnight adoption of digital technology in healthcare provision/diagnostics, to linking economic recovery to net zero, and the rise of cyber-crime undermining business and even democracy, Gemserv can play its part.

With this clarity and scale in new areas, we restructured the business to focus on our core markets and areas for diversification. The acquisition of Ecuity Advisory Ltd brought in new capabilities in energy policy, economic analysis and heat, with a further office location in Birmingham. In this move we welcomed Mandeep Thandi to the Executive team as Director of Cyber & Digital, and Ilias Vazaios, an Ecuity director, to the position of Director of Low Carbon.

Operating in unconstrained markets of global importance, as a principles-led business, Gemserv is well placed to continue to flourish.



# ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) REPORT

Businesses must do more than simply make a profit - they must discharge a wider responsibility to society and the environment. We embrace this ethos at Gemserv where we strive to make a positive, long-term, and sustainable contribution in all that we do. We do not see this as a trade off with profitability. Indeed, ESG is a driver of efficiency and growth as well as being the right thing to do. Our staff, and increasingly, our clients, expect nothing less.

## OUR PEOPLE

We are a people business and work hard to attract, retain and develop our staff so that they can reach their full potential. We have flexible and inclusive working practices and value the different perspectives that people bring to the workplace, establishing diverse, inclusive and flexible teams. We have a whistleblowing policy to ensure that staff feel safe and valued in their day-to-day work and can identify concerns if they need to. We have provided staff with mental health awareness training, including establishing a network of mental health first-aiders and a free employee assistance scheme. In addition, we are a Living Wage Employer, meaning that not only our employees but those of our suppliers who are regularly contracted receive at least the Living Wage. We are an Investors in People Gold Standard employer.

## OUR MARKETS AND CLIENTS

As a services firm our biggest impact is from the business we conduct. Our data governance expertise is helping organisations keep people's personal information safe, an issue of growing importance across society. Through our energy and low carbon contracts we are supporting the transition to net zero and in turn addressing climate change. And through our health team we are bringing about better patient outcomes in the face of an ageing population and global pandemic.

Client satisfaction is fundamental to our success. We strive to deliver beyond expectations and received positive feedback from clients and other stakeholders in our latest survey. This was conducted by an independent third party and we achieved an overall satisfaction rating of around 80%.

We abide by our legal commitments (including anti-bribery and anti-corruption, modern slavery and health and safety) and through our sustainable trading policy we operate to the highest standards of financial probity, ethics and sustainability. Our approach is underpinned through a range of quality and environmental standards which we have maintained over the year: Cyber Essentials Plus; Information Security Management ISO27001; Environmental Management System ISO14001; and Quality Management System ISO9001.

## OUR ENVIRONMENT AND COMMUNITIES

While Covid restrictions were a limiting factor, we are pleased to have supported three charities chosen by our staff: Alzheimer's Society<sup>[1]</sup>, Us in a Bus<sup>[2]</sup>, and Smarter Choices<sup>[3]</sup>. Fundraising activities for these charities, together with Gemserv match-funding and personal giving by staff, raised over £12,000 for good causes.

All staff are encouraged to take one paid volunteering day each year although Covid restrictions severely limited volunteering activity during the year.

Turning to our operational impacts on the environment, Covid restrictions meant there was a significant reduction in travel (commuting and official travel) and in office use. This resulted in a significant reduction in our direct carbon emissions and in our waste and water footprint from our offices.

We continued to build on steps we have already implemented to reduce our footprint such as solar reflective film on our windows, LED lightbulbs, a smart lighting system, and electricity sub metering to better monitor our energy use. 100% of our office waste is recycled or used to generate energy with none to landfill. We use 100% recycled paper or paper from sustainable sources (Forestry Stewardship Council accredited) and discourage unnecessary printing. Likewise, we discourage single use cups and plastic bottles, and continue to demand more from our suppliers such as removing single use plastic from the products we buy. Gemserv maintained its certification as a Carbon Neutral Company.

As the Covid lockdown eases we will continue to encourage flexible and home working to reduce travel-related emissions and support this via a staff cycle to work salary sacrifice scheme. Likewise, staff benefit from one additional paid day of leave if they travel on holiday via low carbon transport instead of flying.

An important way staff can contribute to our ESG performance is through their pension. Accordingly, as a new initiative this year we discussed with every new member of staff the availability - via Gemserv's staff pension scheme - of sustainable and ethical investment options.

1. Alzheimer's Society - is a United Kingdom care and research charity for people with dementia and their carers.
2. Us in a Bus - work with a wide range of people who have profound learning disabilities and complex needs.
3. Smarter Choices - is a London based charity which focuses on educating young people on the possible side effects of violence, aiming to create safer local communities





We continue to explore ways to reduce our impacts further and our staff have formed a 'Green Team' which runs staff engagement initiatives and provides insights on ESG trends and best practice.

To help us further embed ESG at the core of the business and to showcase our credentials we have recently applied for B-Corp certification. This will enable us to benchmark ourselves against the best in class and drive continuous improvement. We expect one area of focus will be in the way we measure and report on the positive social and environmental contribution from the business we conduct. Achieving B-Corp involves a rigorous certification process and this remained ongoing at year end. Further information on Gemserv's governance is included in the Corporate Governance Statement on p.19.





# BOARD OF DIRECTORS



**MERIEL LENFESTEY - Chair (Independent Non-Executive Director)**

Meriel joined the Gemserv board in 2013 and became Chair in January 2017. Her career has been built providing customer-centred strategic and design consultancy to organisations of all shapes and sizes; across public, private and third sectors; and across many different markets. As a designer, researcher, entrepreneur and qualified director she brings a blend of creative energy, customer focus, digital experience, consultancy experience, as well as thorough corporate governance to the Board.



**DR ANNETTE NABAVI - Senior Independent Non-Executive Director**

Annette joined the Board in January 2017. She has a broad range of public and private board experience and currently holds a number of Directorships. She is a Non-Executive Director on the board of Maintel Holdings plc, an AIM listed unified communications services business. She is also on the board of IPSE, the Association of Independent professionals and the Self Employed. She is on the Advisory Board of the National Media Museum, part of the Science Museum Group, and a Director of Women in Telecoms and Technology (WiTT) Ltd, an events and networking group. Annette previously held positions with ING Barings and the PA Consulting Group. Annette holds an MA from Oxford University and a Doctorate from the University of Dijon.



**DR SUE SHARLAND – Independent Non-Executive Director**

Sue joined the Gemserv Board in November 2020. She is a Non-Executive Director (NED) with wide experience in private, public and not for profit organisations, including in the transport, planning and environment sectors. Sue is Non-Executive Chair of LUC Ltd, a specialist environmental and planning consultancy. She is also a Trustee with the Road Safety Foundation, a UK charity advocating road casualty reduction, and with its international partner iRAP. Sue is past President, Honorary Treasurer and a Trustee of the Chartered Institution of Highways and Transportation.

She previously held NED positions at the Connected Places Catapult and was Chair at HR Wallingford. From 2001 to 2013, she was Chief Executive of TRL Limited, an organisation providing independent world-class research, consultancy, testing and software for all aspects of transport, both in the UK and internationally. Sue has a first degree in Mathematics from Cambridge University and a PhD in Materials Science from Imperial College, London University.



**DAVID BROWN - Independent Non-Executive Director**

David joined the Gemserv Board in March 2021. He has more than 20 years' experience in commercial finance, and has significant board and audit committee experience, developed in Energy, Healthcare and Transport. David is currently Chief Financial Officer at Brakes, the leading foodservice provider in the UK. Previously, he held finance executive roles at Smart DCC, Viapath and Eurostar. Since 2015, he has been a Non-Executive Trustee and Audit Committee Chair at Mental Health Matters, a leading national charity supporting people with mental health needs. He is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a BSc honours degree in Business Finance and Economics from the University of East Anglia.



**ALEX GOODY - Chief Executive (Executive Director)**

Alex joined Gemserv in May 2012 and became Chief Executive in July 2018. Alex has a background in business development, strategy and marketing across energy, insurance, and information technology industries. He commenced his career at the energy company, Amerada Hess and prior to joining Gemserv worked for the insurance group, Domestic & General, in various senior and international management roles including establishing and leading Domestic & General Australia & New Zealand. He is a Chartered Director and Fellow of the Institute of Directors.







**DANIEL CARTER-CLOUT - Chief Financial Officer (Executive Director)**

Daniel joined Gemserv in January 2017 to lead the Finance and IT functions. Having started his career in audit at Deloitte, Daniel has subsequently gained broad commercial and strategic finance experience across a number of sectors including Telecoms, Manufacturing and Energy. He has held finance roles in both listed multinationals and SMEs, most recently as Finance Director for a division of a renewable energy developer. Daniel is a Fellow of the Institute of Chartered Accountants of England and Wales and holds the IoD's Diploma in Company Direction.



**JONATHAN HARLEY - Executive Director**

Jonathan has worked for Gemserv since 2009 and has been on the Executive team since 2016. Having led several high-profile programmes across the Energy, Environment, Smart and wider Utilities sector, he is an experienced leader of large teams delivering exceptional client service to solve complex and cross-cutting problems. This includes implementing government policy and multi-stakeholder operations. His previous experience includes working at E.ON UK as well as having extensive international experience in Japan, Taiwan, mainland Europe and Ireland.

## EXECUTIVE MANAGEMENT

The Executive Team includes the three Executive Directors and the following individuals:



**MIRIAM ATKIN - Director of Energy**

Miriam joined Gemserv in October 2018 from the public services company Serco. Since joining Gemserv Miriam has been responsible for the delivery of services to our major Energy clients. Miriam worked at Serco for eleven years in roles spanning Business Operations, Finance and IT. A Chartered Accountant, Miriam trained with Grant Thornton before moving into business finance roles with The AA and Centrica prior to joining Serco.



**TREVOR HUTCHINGS - Director of Strategy, Communications and Public Sector**

Trevor joined the company in May 2017. He spent his early career working in UK government departments and with the European Commission in Brussels. This included positions at the then DECC (Department of Energy and Climate Change) where he was responsible for programmes on reducing the UK's greenhouse gas emissions. He went on to join WWF, the global conservation charity, where he was Director of Advocacy. Trevor is also chair at the Green Purposes Company set up by government to safeguard the green mission of the UK's Green Investment Bank. He is a Fellow at the Institute of Environmental Management and Assessment and holds the IoD's Certificate in Company Direction.



**ILIAS VAZAIOS - Director of Low Carbon**

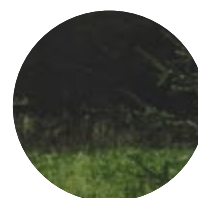
Ilias joined Gemserv in January 2021, having spent the previous 10 years developing Ecuity into an impactful energy consultancy with influence across the green transition agenda, having managed and led a diversity of projects (working with industry as well as national and local government) to meet the challenge of decarbonisation. Prior to Ecuity, he worked as a business consultant for Cemex, policy advisor for the European Commission Delegation to the US, and energy policy consultant for the Bellona Foundation and The Centre in Brussels. He holds post-graduate degrees in Management from Cass Business School and EU Policy from Essex University. A native Greek, Ilias also speaks English, Spanish and German.



**MANDEEP THANDI - Director of Cyber and Digital**

Mandeep joined the Executive team in October 2020, having been at Gemserv since 2008. He is responsible for the development and growth of the Cyber & Digital business unit, including the commercial development of services across cyber security & privacy, digital services, the Codeworks platform and data analytics, across all Gemserv's sectors. Mandeep is an experienced professional who has a broad range of expertise spanning many areas, including commercial strategy, policy development, strategic development of IT and cyber security services, implementation of corporate IT systems and project management.

# **DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2020/21**





# DIRECTORS' REPORT

## INTRODUCTION

The Directors present their report on the results of the Group and the Company, together with the Strategic Report, the Financial Statements and the Auditor's Report, for the year ended 31st March 2021.

## RESULTS AND DIVIDENDS

In the year to 31st March 2021, the Group achieved revenues of £28.3m (2020: £26.9m) and operating profit of £2.1m (2020: £2.5m). Commentary on the results is contained in the Strategic Report.

In line with Gemserv's dividend policy to increase ordinary dividend payments by RPI plus 1%, the Directors recommend an ordinary dividend of 103.07p per share (2020: 100.56p) totalling £237k.

## SHARE ISSUES

There were no share issues during the year.

## DIRECTORS AND THEIR INTERESTS

The Directors who served during the year were as follows:

- |                       |                       |
|-----------------------|-----------------------|
| • Meriel Lenfestey    | • David Brown ****    |
| • Matthew Rees*       | • Alex Goody          |
| • Annette Nabavi      | • Daniel Carter-Clout |
| • Simon Wills**       | • Jonathan Harley     |
| • Dr Sue Sharland *** |                       |

\*Resigned 31st January 2021

\*\*Resigned 1st November 2020

\*\*\*Appointed 1st November 2020

\*\*\*\*Appointed 15th March 2021

No Director at 31st March 2021 had any beneficial interest in any of the shares of the Company.

## DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and Parent Company financial statements in accordance with FRS102 (Financial Reporting Standards applicable in the UK and Republic of Ireland). Under company law, the Directors must not approve the financial statements unless they are satisfied

that they give a true and fair view of the state of the affairs of the Company and of the surplus or deficit of the Group and the Company and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

## STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken in order to make themselves aware of any relevant information, and to establish that the Company's auditor is aware of that information.

## AUDITOR

PKF Littlejohn LLP is willing to seek reappointment as the auditor to the Company. A resolution proposing its appointment will be put forward at the forthcoming General Meeting.

Approved by the Board and signed on its behalf by:



**Daniel Carter-Clout**  
Executive Director and Company Secretary

9th June 2021

# STRATEGIC REPORT

## PRINCIPAL ACTIVITIES

Gemserv is an expert provider of professional services in a world driven by data and technology. We are purpose-driven and have grown and diversified to offer consultancy and outsourcing capabilities across several rapidly expanding markets. We have offices in London, Birmingham and Dublin as well as serving international clients.

Our Purpose is *Making things that matter work better for everyone*. This is about tackling today's social and environmental challenges, from the ethical use of data through to addressing climate change and environmental decline.

## REVIEW OF THE BUSINESS

Revenue increased by 5.2% from last year's £26.9m to £28.3m. This was a result of strong performance across our energy and health business units, plus revenues from the business we acquired at the turn of the calendar year. Together this offset the negative impacts of Covid which were felt on our consultancy assignments.

However operating profit decreased at £2.1m (2019/20: £2.5m) reflecting increased strategic investment in building up new capabilities and services that are not yet fully operational. Net assets at the year-end were £13.8m (2019/20: £12.2m), and working capital was £9.3m (2019/20: £9.6m). The cash and cash equivalents balance at the year-end decreased to £10.8m (2019/20: £12.0m), with operating cash inflows offset by payments relating to the acquisition of Ecuity.

Our strategic priority remained to grow and diversify the business such that it is less financially dependent on the MRA contract which ends during 2021/22 as the Retail Energy Code goes live. A key driver of growth has been to capitalise on market disruptions that have come about from technological advances and government policy. An

example of this is the global transition to net zero which is a key theme in the government's post Covid economic recovery plan.

Over the year Gemserv helped:

- consumers switch to a better energy deal through our administration of the Master Registration Agreement (MRA).
- the national smart meter implementation programme, crucial for the transition to a clean energy system, through our work on the Smart Energy Code and other contracts.
- support the development of low carbon heating solutions through our contribution to the government's Heat Networks Investment Project.
- protect people's privacy and data through our data governance services.
- organisations improve their cyber security.
- improve the healthcare system on the Isle of Man.

Gemserv's largest customers by revenue were industry bodies fulfilling central regulatory roles in the energy industry. Other key clients consist of government bodies such as the Isle of Man Government and the Department for Business, Energy and Industrial Strategy. The remaining customer base comprises organisations from across the economy where we provide sector agnostic services such as in cyber security, data protection and digital transformation.

Sales were strong winning over £23m of new business, a record sales year for Gemserv. This included winning a further long-term contract to deliver a major part of the Retail Energy Code, a successor code to the MRA.

The business benefited from strategic investments made in previous years with new value propositions in 'regtech' and health contributing profitable revenue. We further invested in building our presence in the emerging electric vehicles market, in developing a new data analytics capability as well as adding to our cyber security capabilities.

We re-organised the business around target markets, supported by centralised corporate services such as finance, PMO, HR, IT, bid support and marketing.

We further embedded new technology to deliver better client outcomes, support flexible and remote working, and drive back-office efficiencies. This included work to fully embed a new CRM system, marketing software, and a business insight tool. Microsoft Teams enabled us to seamlessly switch to 100% remote working in response to Covid restrictions.





In order to extend our market influence we shared our ideas through thought leadership papers, webinars, and other influencing activities on key issues such as: energy market governance reform, net zero, cyber security, data protection and health. We were named in the Financial Times UK's Leading Management Consultants 2021.

Gemserv is entirely dependent on its staff. We stepped up our engagement and wellbeing activities given the move to remote working. We maintained a Covid-secure office which was open for those staff struggling to work from home. We offered on-line learning and continued to strengthen Diversity and Inclusion overseen by a D&I committee that includes Board representation. We published for staff our gender pay gap and pressed ahead with actions to address this such as balanced shortlists for senior roles.

### KEY PERFORMANCE INDICATORS

We monitor our performance through a combination of financial and non-financial indicators. These include annual and longer-term metrics and are an important factor in determining bonus pay-outs. The indicators also provide greater foresight, enabling us to better anticipate forward trends, acting as an early warning so we can adapt to changing circumstances.

The indicators include:

- Revenue, profit and margin
- Forward looking secured income & pipeline
- Business diversification
- Digital maturity
- Partnerships
- Customer satisfaction and reputation
- Marketing effectiveness
- Employee metrics
- ESG measures

### PRINCIPAL RISKS AND UNCERTAINTIES

Risk management continued to be an important focus for the Executive and Board. Market disruption, a global pandemic, cyber & data security and Gemserv growing into a bigger and more complicated business have all been key themes. The Audit and Risk Committee evaluates the effectiveness of Gemserv's risk management processes and informs the Board of any key findings. The top corporate level risks managed over the year include:

Risk	Key Mitigations
Covid has a negative business impact.	Comprehensive response plan overseen at Board and Executive level, including use of digital technology for remote working and increased communication with staff and clients (more detail below).
Attraction and retention of talent.	Benchmarking benefits package, monitoring employee satisfaction, succession planning, exit questionnaires.
Dependency on technology and suppliers.	Bringing services in house. Performance contracting and SLAs.
The risk of cyber-attack and information security breaches.	Internal controls and staff awareness activities. Penetration testing & active threat detection.
Our ownership structure holds back growth and diversification.	Engage shareholders on support for company strategy.
Drive for growth negatively impacting on service excellence.	Restructure business to provide clearer accountability. Review reward and incentive arrangements. Client satisfaction survey.
The impacts of government, regulatory and industry changes to our core contracts	Thought leadership to influence government policymaking. Continue to grow and diversify the business thereby reducing our financial dependency on any single contract.
Failure to secure value from the acquired businesses.	Deal structured to drive performance through an earn out. 100-day integration plan. Incoming business represented on Executive.
Negative media coverage linked to market initiatives with which we are involved.	Media engagement policy, media training and other preparedness activities.



## COVID-19

Gemserv seamlessly moved to remote working during the Covid lockdown and continued to provide a high level of service to clients (an area in which we scored highly in our recent client survey). While we believe there was a negative impact overall on revenues – particularly in our ability to sell short-term consultancy assignments - the risks from the pandemic were largely mitigated through early management intervention, flexible, digital working practices and stability in long term contracts resulting in above budget performance, on a budget set before the first lockdown.

Our experience of working with Covid restrictions, the nature of our contracts, the fast growing markets in which we operate, our strong balance sheet and our track record at spotting opportunities means that there is a high degree of confidence that Gemserv will navigate successfully through the continuing pandemic.

## FUTURE DEVELOPMENTS

Gemserv is now beginning year three of its five-year strategy. The focus of the five-year strategy has been to drive beyond the end of the MRA contract, to create a broad-based professional services firm with core commitment to ESG principles. The Board has also set an ambition to grow revenues and profits, and to develop other income streams beyond traditional time and materials revenue.

The first two years of the strategy have seen major investments in new capabilities and ventures to expand expertise, grow the talent base, harness digital technology and give a solid platform for future growth. This has been funded from profits in the business, and acquisitions from cash on the balance sheet.

The remaining years of the strategy will see the full impact of the MRA contract falling away and the continued acceleration of new business and growth in existing contracts. The business has developed an acquisition pipeline and a proven track record in making them work, and continues to seek opportunities for inorganic growth. Gemserv operates in sectors that themselves are going through huge change driven by technology, climate change, increasing longevity, and rise of cybercrime. The scope for growth in UK and internationally is significant.

There are four strategic pillars to the strategy:

- **Accelerate Growth** – Gemserv is investing in existing services, developing new capabilities and driving profitable business in new markets. The business has successfully reduced dependence on a few large legacy contracts in energy regulation and now enjoys a diffuse revenue base albeit with energy continuing to play a major role. Gemserv continues to focus on sectors experiencing rapid growth and disruption.

- **Build Relationships** – Whilst Gemserv is an important market leader in energy, it is less well known in other markets. The focus is therefore on building brand and influence in those newer areas. It is also forging innovative partnerships and taking existing client relationships from being that of deliverer of contracts to strategic partner.
- **Cultivate Talent** – Building on IIP Gold accreditation, the company is becoming a career destination of choice, with opportunities for staff to reach their full potential as part of a growing and vibrant business.
- **Digital First** – harnessing the power of data and digital technology is a priority across client services and company back office. Gemserv is looking to drive greater efficiencies and innovation through the use of digital technology.

## STAKEHOLDERS (SECTION 172 COMPANIES ACT 2006)

The Board has agreed to adopt the Wates Corporate Governance Principles for Large Private Companies. These cover our approach towards stakeholder relationships and engagement at Principle 6 and this is explained on p.21. The Board has also agreed to apply for B-Corp accreditation which, if successful, will require a change to the company Articles giving greater prominence to stakeholder interests. The Board will continue to review and challenge how Gemserv can improve engagement with its employees and stakeholders.

Approved by the Board and signed on its behalf by:

**Alex Goody**  
Chief Executive

9<sup>th</sup> June 2021

# CORPORATE GOVERNANCE STATEMENT

Gemserv's Board is committed to its Purpose to make things that matter work better for everyone, and recognises the importance of sound corporate governance in achieving that Purpose. To this end, the Board has agreed to adopt the Wates Corporate Governance Principles for Large Private Companies, as published by the Financial Reporting Council. Below, we outline the key provisions Gemserv has made to ensure good corporate governance, which have been developed to provide governance policies appropriate to its size.

## 1. PURPOSE AND LEADERSHIP

*"An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose."*

The Gemserv Board developed the Purpose statement set out above in consultation with the workforce to capture why Gemserv exists and the impact it wants to achieve. This is underpinned by four key values reflecting the behaviours required to meet our goals. The Purpose, values and strategy are shared with the workforce, and reinforced through personal and corporate objectives. How this translates into the company culture is monitored through staff surveys, exit interviews, and feedback sessions with Directors.

## 2. BOARD COMPOSITION

*"Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution."*

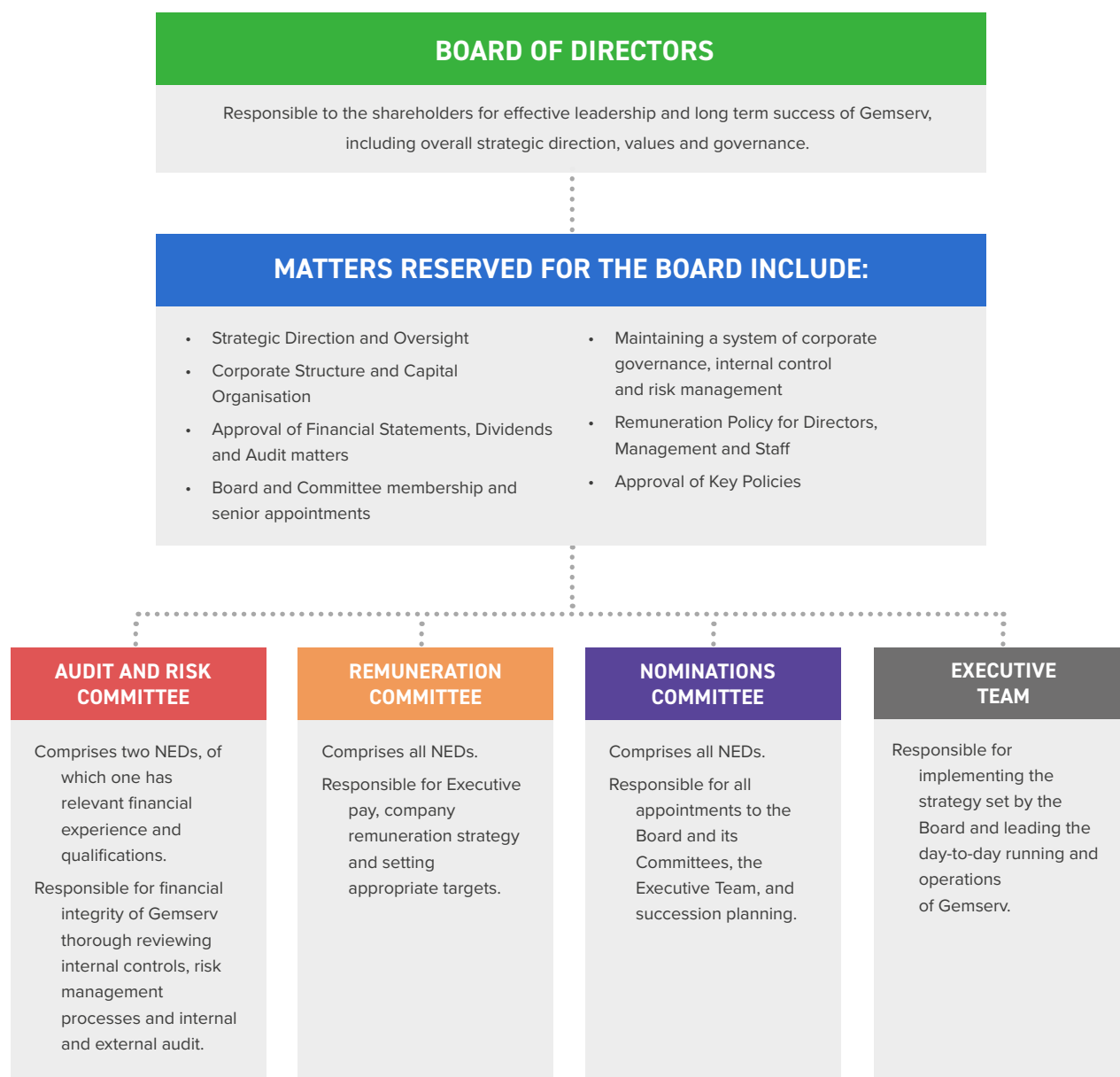
Gemserv's Board comprises three Executive Directors and four Non-Executive Directors, of which the Board considers all four are independent. All director appointments are subject to shareholder approval, and all Non-Executive Directors are subject to annual re-election by shareholders. The individual directors bring experience from a range of backgrounds and sectors including finance, consulting, sales and marketing, telecoms and technology, the public sector and the energy industry. This provides a balance of views and skills, and representation across the key client and shareholder stakeholder groups. Furthermore, the Board commissioned an external review of its performance in 2019 which found the Board to be high-performing, while also raising areas for potential improvement.

## 3. DIRECTOR RESPONSIBILITIES

*"The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge."*

The Gemserv Board meets at least six times a year for scheduled meetings to assess the performance of the company and deal with other matters as required. In addition, the Board meets once a year to review and if necessary update the Group strategy. All Directors are kept advised of key developments, receive timely and accurate information, and participate fully in the decision-making process of the Board.

Certain items of business are delegated to the three principal Board committees: the Audit and Risk Committee; the Remuneration Committee; and the Nominations Committee. Each committee operates under clear terms of reference, and sets out its key responsibilities and activities in the annual report. This governance structure is set out below:



#### 4. OPPORTUNITY AND RISK

*“A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.”*

The Group’s financial performance is a standing item at Executive and Board meetings throughout the year. The Board is therefore well-informed to approve the annual report and financial statements as a fair and representative assessment of the Group’s financial position and performance.

Gemserv recognises the opportunities and risks around a changing market. The company seeks to support customers through change and invests in strategic development projects which will deliver against the purpose in the future. These development projects report

into the Board regularly to ensure progress is being made. In addition, the Board regularly reviews internal and external risks in relation to achieving Gemserv’s strategic objectives and assesses these in conjunction with its appetite for risk to ensure that the company is taking appropriate mitigating action where required. A summary of key risks is set out in the Strategic Report.

Board has established an Audit and Risk Committee with delegated responsibility for ensuring that the financial performance, position and prospects of the Company are properly monitored and reported on. The committee meets with the auditor and discusses their reports on the accounts and the company’s financial controls and recommends the appointment of auditors. It also reviews the internal controls and risk management processes, including the output from internal audits.



## 5. REMUNERATION

*“A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.”*

The Board has established a remuneration committee. The remuneration committee determines the terms and conditions of service of Executive Directors. The remuneration and terms and conditions of appointment of Non-Executive Directors are set by the Board. No Director may participate in any discussions or decisions regarding his or her own remuneration. Remuneration is designed to be appropriate and fair, to recruit and retain high quality directors, management and their workforce, and as such is regularly benchmarked both internally and externally.

The committee also sets objectives for performance-related incentives for Executive Directors and other senior management, and reviews performance against those objectives. The objectives are a combination of financial and non-financial measures, with in-year and multi-year objectives functioning as strategic success indicators designed to promote the long-term sustainable success of the Company.

## 6. STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

*“Directors should foster effective stakeholder relationships aligned to the company’s purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.”*

The Gemserv Board ensures a dialogue with all stakeholders including: shareholders; Government departments; regulators; customers; suppliers, and employees in line with its responsibilities under S172 of the Companies Act 2006.

Engagement with shareholders is through regular shareholder meetings to discuss the strategy and objectives of the Company, and an update on performance forms part of the Annual Report. The Board met with shareholders representing 97% of all shares during the year. Shareholders are encouraged to participate in the general meeting and feed back on performance and other matters raised. In addition, Gemserv’s unique position in the energy market allows for regular contact with shareholder representatives on a more informal basis, maintaining an active dialogue.

Employee engagement encompasses opportunities for employees to meet with and feed back to Non-Executive Directors, giving the workforce a voice at the Board, and regular communication with the workforce through emails, newsletters, and staff meetings on the strategy, staff engagement, innovation, and Corporate Social Responsibility. During 2020/21, although face to face engagement was significantly reduced, the use of virtual meeting technology and regular online staff surveys provided a valuable two-way feedback mechanism between the Board and staff. Gemserv is certified to Gold standard by Investors in People, providing important third-party validation of our efforts with our people.

The Board monitors engagement with other stakeholders using a methodology to track the effectiveness of interactions and the level of engagement and influence achieved with customers, regulators, Government and others. In addition, an independent stakeholder survey was conducted during the year to gauge the opinions of customers in particular and assess Gemserv’s response to service delivery during the pandemic.

## GOING CONCERN

Gemserv has a sound financial record including strong operating cash flows derived from substantial recurring revenues across a range of contracts. Throughout the Covid-19 pandemic, the majority of the Group’s revenue-generating activities have continued, underpinned by long-term contracts. Management implemented proportionate cost-reduction measures, and deployed technology to enable service delivery to continue. Gemserv continues to have a strong cash position, with positive operating cash flows before acquisition costs during the year. Management considered a number of scenarios and its response to each, including its ability to reduce staff and overhead costs to maintain positive cash flow in the event of a reduction in revenue. Therefore, the Board confirms that, after making appropriate enquiries, it is of the opinion that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing these accounts.



# COMMITTEE REPORTS

The Board has three standing committees: an Audit and Risk Committee; a Remuneration Committee; and a Nominations Committee. Each is formally constituted with terms of reference and includes at least two Non-Executive Board members.

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee assists the Board in the execution of its responsibilities for Corporate Governance and internal control, and has adopted terms of reference modelled on those set out in the FRC Guidance on Audit Committees. This includes evaluating the effectiveness of the risk management framework and processes to inform the Board's approach in managing the strategic and operational risks facing Gemserv.

The members of the Committee who served during the year were Non-Executive Directors: Simon Wills (until November 1st), Sue Sharland (from November 1st), David Brown (from March 15th) and Matthew Rees (until January 31st), with Matthew Rees as the Committee Chairman until his departure, succeeded by David Brown from his appointment. The Chief Financial Officer is the Secretary of the Committee. The External Audit Partner also attends meetings as required.

The Audit and Risk Committee reviews the Group's internal financial control structure and external audit process and approves the audit fees. It monitors the effectiveness of the Group's internal controls, risk management framework, the integrity of the financial statements and proposed announcements, together with any proposed changes in accounting policies, prior to approval by the Board. The Committee also keeps under review the objectivity and independence of the external auditor and the nature and extent of the non-audit services it provides.

The Committee met three times during the year and the key issues discussed included:

- Internal audit processes and findings;
- Review of the Risk Management Framework;
- Review of significant financial judgements, in particular regarding the treatment of goodwill and scenarios that might trigger impairment;
- Onboarding PKF as the new auditor; and,
- The Financial results and the Annual Report for 2019/20.

In reviewing significant financial judgements, the Committee identified revenue recognition as the most significant risk of misstatement in the financial statements. The Committee regularly reviews the Group's accounting policy and its application to key contracts, and remains satisfied that it is in accordance with FRS102 and that any assumptions or estimations are reasonable.

## REMUNERATION COMMITTEE

The Remuneration Committee determines the remuneration of the Executive Team on behalf of the Board and approves the remuneration strategy for all Gemserv employees. Its members are all Non-Executive Directors who met during the year under the Committee Chair, Annette Nabavi. The Chief Executive and the Head of HR attend the meetings to present proposals with respect to Gemserv's Remuneration Strategy. The Committee met five times during the year and the key items discussed included:

- Reviewing the structure for the 2022 and 2023 Strategic Bonus scheme and how to align incentives more closely to the five-year strategic plan;
- Reviewing the effects of the pandemic on possible bonus outcomes and agreeing a strategy to respond to this;
- Reviewing the remuneration packages of the Executive Team, in line with Group and personal performance and contribution;
- Reviewing remuneration for the Chair of the Board (with the Chair of the Board recusing herself from this discussion); and
- Setting, and reviewing performance against, appropriate financial and non-financial targets for Group performance.

## NOMINATIONS COMMITTEE

The Nominations Committee is chaired by the Board Chair and comprises all Non-Executive Directors. The Committee manages the process for Board appointments, ensuring there is a formal and appropriate procedure for the appointment of new Directors to the Board. The Committee is responsible for leading the process and making recommendations to the Board. In addition, the Committee is responsible for reviewing succession planning for the Board and Executive Team members in line with its approved terms of reference.

The Committee met three times during the year and the key items discussed included:

- The recommendations to appoint Sue Sharland and David Brown to the Board; and,
- The impact of the restructure on the leadership team, including the recommendations for Mandeep Thandi and Ilias Vazaios to join the Executive Team.

## EXECUTIVE TEAM

The Board has delegated operational matters to the Executive Team. The Executive Team is led by the Chief Executive and included the other Executive Directors and five Senior Managers during the year. The Team formally meets twice a month.

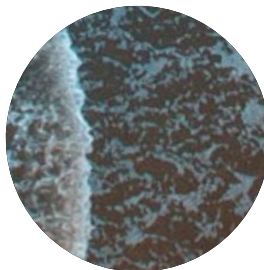
The Team is responsible for the development of strategic options for consideration by the Board and implementing the Gemserv Strategy. The Team also leads on providing oversight on commercial operations, financial performance, Group risk profile and the organisation's resource planning.



**Daniel Carter-Clout**

Executive Director and Company Secretary

9<sup>th</sup> June 2021



# AUDITOR'S REPORT

## OPINION

We have audited the financial statements of Gemserv Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing our audit, and in evaluating the effect of misstatements and omissions on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the level of misstatement, including omissions that could influence the economic decisions of a reasonably knowledgeable user of the financial statements.

We determined the materiality for the Group financial statements as a whole to be £560,000, calculated with reference to a benchmark of 2% of revenue. In addition, we set a Parent Company materiality of £500,000 based on the same benchmark. This is the threshold above which missing or incorrect information in financial statements is considered to have an impact on the decision making of users.

We agreed to report to the Audit and Risk Committee all potential adjustments in excess of £28,000 and £25,000 for the Group and Parent Company respectively, being 5% of the materiality for the financial statements as a whole, in addition to other identified misstatements that warranted reporting on qualitative grounds.



## OUR APPROACH TO THE AUDIT

The Group operated for most of the year through three trading entities. The financial statements consolidate the parent company along with five other subsidiaries, two which were acquired during the year and have been deemed as non-significant components of the Group. One further subsidiary was also deemed as a non-significant component. A full scope audit was carried out by us on the financial statements of the parent company and two of its subsidiaries.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Group and parent company financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls and the industry in which they operate.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our scope addressed this matter
<strong>Revenue recognition</strong> <p>There is a risk that revenue due to the Group has not been recorded, especially for transactions around the reporting date. This is effectively the risk that the revenue reported is inaccurate, incomplete or has been recognised in the wrong period.</p>	<ul style="list-style-type: none"><li>• We documented our understanding of the internal control environment in operation for the material income streams and undertaking a walk-through to ensure that the key controls within these systems have been operating in the period under audit;</li><li>• Substantive transactional testing of income recognised in the financial statements, including deferred and accrued income balances recognised at year end;</li><li>• A review of post year end receipts to ensure completeness of income recorded in the accounting period;</li><li>• A review of a sample of sales recorded on either side of the year end to ensure cut-off is correct;</li><li>• A review of post year end credit notes for evidence of window dressing of sales</li></ul>
<strong>Going Concern</strong> <p>When preparing financial statements, those charged with governance should satisfy themselves as to whether the going concern basis is appropriate.</p> <p>ISA 570 "Going concern" specifically requires the auditor to conclude on: whether a material uncertainty related to going concern exists; the appropriateness of the Directors use of the going concern assumption in the preparation of the financial ; and the appropriateness of any relevant disclosures in the financial statements.</p>	<ul style="list-style-type: none"><li>• Our work in this area included a review of the group's going concern assessment including review of budgets for FY22.</li></ul>
<strong>Acquisition of Subsidiaries</strong> <p>The parent entity has acquired a number of subsidiaries during the year. There is a risk that the accounting treatment applied by management is not in accordance with applicable UK GAAP (FRS 102).</p> <p>On acquisition, there is a risk that fair value of the assets acquired is incorrect. In addition, there is a risk that the consideration payable is not conducted on an arm's length basis, and thus either generating a higher goodwill balance or a significant bargain purchase recognised in the profit and loss account.</p> <p>In addition, there is a risk on consolidation that goodwill is misstated.</p>	<ul style="list-style-type: none"><li>• A review of the sale and purchase agreements for investments purchased during the period;</li><li>• Agreeing the level of consideration to supporting documentation, including the valuation of any deferred or contingent consideration;</li><li>• Assessing the fair value of the identifiable assets and liabilities of the subsidiaries acquired;</li><li>• Review management's accounting treatment and policy applied for each acquisition to ensure it is in accordance with FRS 102.</li><li>• Reviewing calculations of goodwill occurring on the acquisition of subsidiaries and ensuring recognition is in accordance with FRS 102; and</li><li>• Considering whether there are indications of impairment in the value of the investments acquired during the period</li></ul>

## OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and application of cumulative audit knowledge.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Companies Act 2006, Financial Reporting Standard 102, product safety regulations and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:

- o enquiries of management.

- o review of board minutes.

- o review of legal and regulatory correspondence.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the carrying value of goodwill and we addressed this by challenging the assumptions and judgements made by management when auditing significant accounting estimates.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- The Group engagement team shared the risk assessment in relation to non-compliance of laws and regulations and material misstatements of the financial statements due to fraud with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

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

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

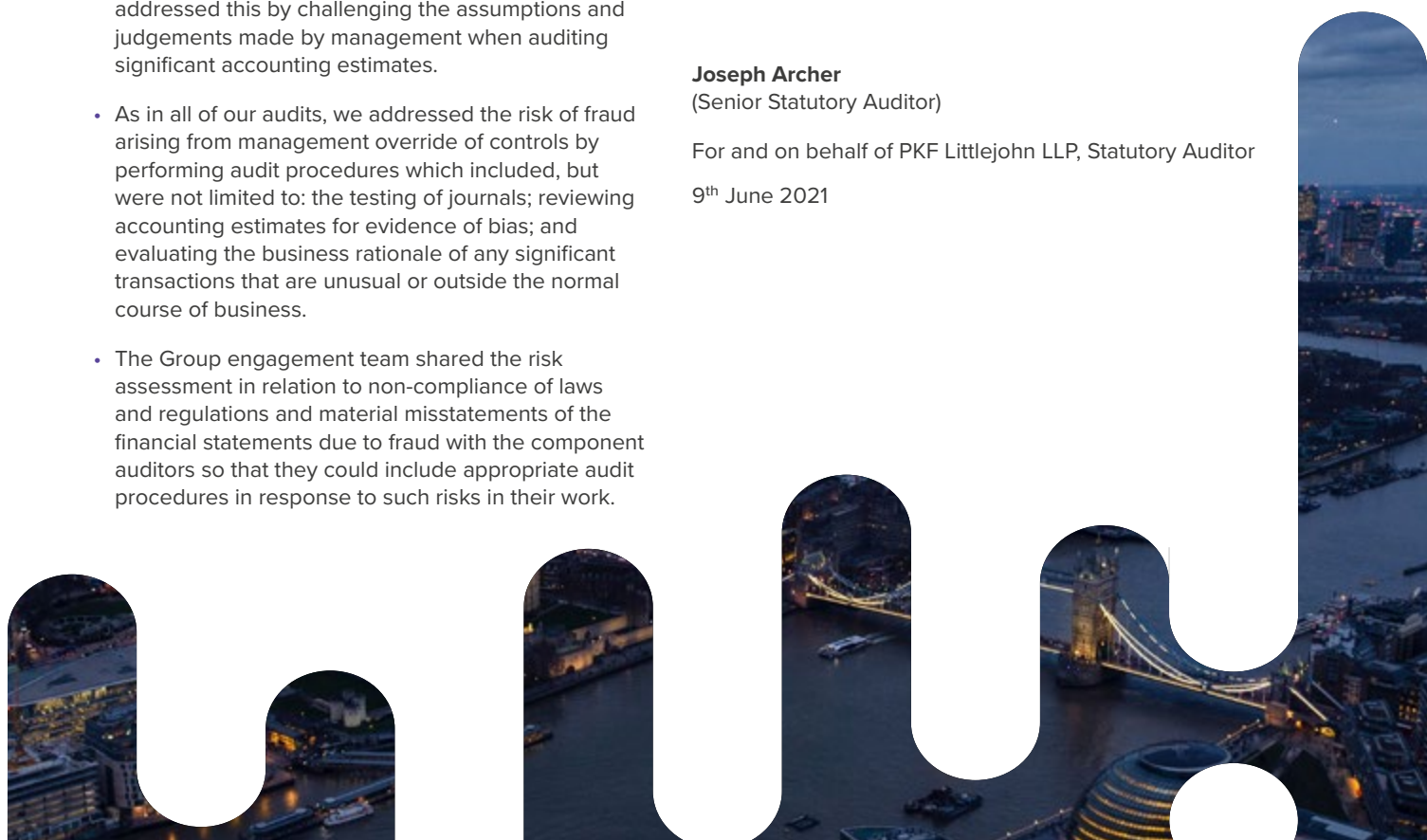
## USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Joseph Archer**  
(Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP, Statutory Auditor

9<sup>th</sup> June 2021



# GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR YEAR ENDED 31<sup>ST</sup> MARCH 2021

Company Registration Number: 4419878

		2021	2020
	Notes	£'000	£'000
<b>REVENUE</b>	2	28,251	26,856
<b>ADMINISTRATIVE EXPENSES</b>		(26,278)	(24,349)
<b>OTHER INCOME</b>	3	95	-
<b>OPERATING PROFIT</b>		<b>2,068</b>	<b>2,507</b>
Interest receivable and similar income		12	34
<b>PROFIT BEFORE TAXATION</b>	4	<b>2,080</b>	<b>2,541</b>
Tax on profit on ordinary activities	6	(241)	(429)
<b>PROFIT FOR THE YEAR</b>		<b>1,839</b>	<b>2,112</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Unrealised Exchange (losses)/gains arising on consolidation		(10)	3
<b>PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b>1,829</b>	<b>2,115</b>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 32-42 form part of these financial statements.





# STATEMENT OF FINANCIAL POSITION

## GROUP & COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>ST</sup> MARCH 2021

Company Registration Number: 4419878

		GROUP	GROUP	COMPANY	COMPANY
		2021	2020	2021	2020
	Notes	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	8	4,951	2,521	4,951	2,521
Investments	9	-	-	210	-
Tangible assets	10	185	269	142	269
		<b>5,136</b>	<b>2,790</b>	<b>5,303</b>	<b>2,790</b>
<b>CURRENT ASSETS</b>					
Debtors	11	6,102	4,934	5,101	4,893
Cash equivalents	12	2,541	2,532	2,541	2,532
Cash at bank and in hand	13	8,293	9,461	6,000	7,879
		<b>16,936</b>	<b>16,927</b>	<b>13,642</b>	<b>15,304</b>
<b>CREDITORS</b>					
Amounts falling due within one year	14	(7,652)	(7,365)	(6,607)	(6,984)
		<b>9,284</b>	<b>9,562</b>	<b>7,035</b>	<b>8,320</b>
<b>NET CURRENT ASSETS</b>					
		<b>14,420</b>	<b>12,352</b>	<b>12,338</b>	<b>11,110</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<b>14,420</b>	<b>12,352</b>	<b>12,338</b>	<b>11,110</b>
<b>CREDITORS</b>					
Amounts falling due in greater than one year	15	(437)	-	(437)	-
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation	16	13	(8)	13	(4)
Dilapidation provision	17	(225)	(171)	(225)	(171)
		<b>13,771</b>	<b>12,173</b>	<b>11,690</b>	<b>10,935</b>
<b>NET ASSETS</b>					
		<b>13,771</b>	<b>12,173</b>	<b>11,690</b>	<b>10,935</b>
<b>CAPITAL AND RESERVES</b>					
Share capital	18	230	230	230	230
Other Comprehensive Income		(7)	3	-	-
Profit and loss account		13,548	11,940	11,460	10,705
		<b>13,771</b>	<b>12,173</b>	<b>11,690</b>	<b>10,935</b>
<b>EQUITY SHAREHOLDERS' FUNDS</b>					
		<b>13,771</b>	<b>12,173</b>	<b>11,690</b>	<b>10,935</b>

The company's unconsolidated profit for the financial period was £986k (2020: £1,623k)

The notes on pages 32-42 form part of these financial statements.

Approved by the Board and authorised for issue on 9<sup>th</sup> June 2021 and signed on behalf of the Board by:

*Meriel*

Meriel Lenfestey  
Chair

*Alex Goody*

Alex Goody  
Chief Executive

# STATEMENT OF CHANGES IN EQUITY

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 31<sup>ST</sup> MARCH 2021

	Notes	Share Capital	Other Comprehensive Income	Profit and Loss Account	Total
		£'000	£'000	£'000	£'000
Balance at 1 <sup>st</sup> April 2020		230	3	11,940	12,173
Unrealised Exchange gains arising on consolidation		-	(10)	-	(10)
Total profit for the year		-	-	1,839	1,839
Dividends paid	7	-	-	(231)	(231)
<b>Balance at 31<sup>st</sup> March 2021</b>		<b>230</b>	<b>(7)</b>	<b>13,548</b>	<b>13,771</b>

		Share Capital	Other Comprehensive Income	Profit and Loss Account	Total
		£'000	£'000	£'000	£'000
Balance at 1 <sup>st</sup> April 2019		230	-	10,051	10,281
Unrealised Exchange gains arising on consolidation		-	3	-	3
Total profit for the year		-	-	2,112	2,112
Dividends paid	7	-	-	(223)	(223)
<b>Balance at 31<sup>st</sup> March 2020</b>		<b>230</b>	<b>3</b>	<b>11,940</b>	<b>12,173</b>

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 31<sup>ST</sup> MARCH 2021

	Notes	Share Capital	Other Comprehensive Income	Profit and Loss Account	Total
		£'000	£'000	£'000	£'000
Balance at 1 <sup>st</sup> April 2020		230	-	10,705	10,935
Total profit for the year		-	-	986	986
Dividends paid	7	-	-	(231)	(231)
<b>Balance at 31<sup>st</sup> March 2021</b>		<b>230</b>		<b>11,460</b>	<b>11,690</b>

		Share Capital	Other Comprehensive Income	Profit and Loss Account	Total
		£'000	£'000	£'000	£'000
Balance at 1 <sup>st</sup> April 2019		230	-	-	-
Total profit and comprehensive income for the year		-	-	1,623	1,623
Investment hive up		-	-	(682)	(682)
Dividends paid	7	-	-	(223)	(223)
<b>Balance at 31<sup>st</sup> March 2020</b>		<b>230</b>	<b>-</b>	<b>10,705</b>	<b>10,935</b>

The notes on pages 32-42 form part of these financial statements.

# STATEMENT OF CASH FLOWS

## GROUP & COMPANY STATEMENT OF CASH FLOWS

AS AT 31<sup>ST</sup> MARCH 2021

Company Registration Number: 4419878

	Notes	GROUP 2021 £'000	GROUP 2020 £'000	COMPANY 2021 £'000	COMPANY 2020 £'000
<b>Cash flows from operating activities</b>					
Profit before taxation		2,080	2,541	1,119	1,953
<i>Adjustments for</i>					
Interest received		(12)	(34)	(12)	(34)
Depreciation		186	306	157	306
Amortisation		370	292	370	292
(Increase) / decrease in debtors	11	(680)	110	(208)	(332)
(Decrease) in creditors	14	(156)	(573)	(216)	(323)
Increase in dilapidation provision		54	29	54	29
Foreign Exchange		(10)	3	-	-
<b>Cash from operations</b>		<b>1,832</b>	<b>2,675</b>	<b>1,264</b>	<b>3,293</b>
Tax paid		(620)	(53)	(620)	(53)
<b>Net cash flows from operating activities</b>		<b>1,212</b>	<b>3,869</b>	<b>643</b>	<b>1,544</b>
<b>Cash flows from investing activities</b>					
Interest received		12	34	12	34
Purchase of Investments in subsidiaries	9	(2,264)	(505)	(2,264)	(505)
Cash acquired as part of acquisition		214	-	-	-
Purchase of plant, property and equipment	10	(102)	(28)	(30)	(28)
<b>Net cash flows from investing activities</b>		<b>(2,139)</b>	<b>(499)</b>	<b>(2,282)</b>	<b>(499)</b>
<b>Cash flows from financing activities</b>					
Dividends paid	7	(231)	(223)	(231)	(223)
<b>Net cash flows from financing activities</b>		<b>(231)</b>	<b>(223)</b>	<b>(231)</b>	<b>(223)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(1,159)</b>	<b>1,610</b>	<b>(1,869)</b>	<b>822</b>
Cash and cash equivalents at the beginning of the period		11,993	10,383	10,411	9,589
<b>Cash and cash equivalents at the end of the period</b>		<b>10,834</b>	<b>11,993</b>	<b>8,541</b>	<b>10,411</b>

# NOTES TO THE FINANCIAL STATEMENTS

## GENERAL INFORMATION

Gemserv Limited, a private company limited by shares, is incorporated in England (registered number 4419878).

The address of the registered office is 8 Fenchurch Place, London, EC3M 4AJ. The principal activity is the provision of professional consultancy services.

## 1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

### TRIENNIAL REVIEW

The Group and Company have applied FRS 102 (March 2018) in these financial statements, which includes the amendments as a result of the Triennial Review 2017. There has been no material effect of the adoption of these amendments.

### PARENT COMPANY DISCLOSURE EXEMPTIONS

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

### BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared under the historical cost convention in £ sterling being the functional currency of the Group and in accordance with the Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom as issued by the Financial Reporting Council and the Republic of Ireland' and the Companies Act 2006.

The principal accounting policies that have been applied consistently by all Group companies to all periods presented in these consolidated financial statements are set out below.

## FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions during the period are translated at the rate of exchange ruling at the date of the transaction.

## GOING CONCERN

Gemserv has a sound financial record including strong operating cash flows derived from recurring revenues across a range of contracts. At the time of the approval of the financial statements the majority of the Group's revenue-generating activities are continuing, underpinned by long-term contracts, and there has been no indication of issues with clients' ability to pay on a timely basis. Management has assessed the impact of Covid on operations and has implemented proportionate cost-reduction measures. The Group continues to have a robust cash position and management has taken steps to preserve this. Therefore, the Board confirms that, after making appropriate enquiries, it is of the opinion that the Group has adequate resources to meet its obligations and continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing these accounts.

## CONSOLIDATION

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Intra group transactions are eliminated on consolidation. All subsidiaries prepare financial statements to 31 March except SEA Administration Limited which has a 31 December year end.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.





## CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S POLICIES

The most critical is the timing of revenue receivable for certain contracts undertaken during the year, which are included in current assets at management's estimate of the fair value attributable to those contracts.

An estimate has been made by management as to the additional contingent consideration that will become due on the purchase of Ecuity Advisory Limited. This has been included as part of the fair value of the consideration of used to calculate the value of the investment in the company's accounts and in the calculation of goodwill for the group.

## REVENUE

Revenue is recognised upon completion of service or at agreed milestones to the extent that it is probable that the economic benefits will flow to the Group 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. Where contracted services have been rendered but not invoiced at the year end, the value of these services is recognised within accrued income. Conversely, where services have been invoiced in advance, these sums are carried forward at the year end as deferred income and included in creditors.

## CURRENT AND DEFERRED TAXATION

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

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

The Company has made claims for Research and Development tax credits, the benefits of which are uncertain until such time as they are approved by H.M.Revenue & Customs. Due to this level of uncertainty,

the Company only recognises such credits once any benefit has been received, however, this approach can lead to significant adjustments in respect of prior periods.

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

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

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

## OPERATING LEASES

Property rentals payable under operating leases are charged against profit on a straight line basis over the duration of the lease period.

## GOODWILL

Goodwill arising on consolidation represents the excess of the fair value of consideration transferred over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of subsidiaries at the date of acquisition. Goodwill is subsequently amortised over its estimated useful life of 10 years. If the recoverable amount of the cash generating unit is less than the carrying amount of the investment, the impairment to the related goodwill is recognised in profit or loss.



## INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at cost less amortisation and impairment losses. The Group's policy is to amortise intangible fixed assets at rates calculated to write off their cost, less their estimated residual value, over their expected useful lives from the date of purchase on the following basis:

- Software: 3-5 years

## TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation. The Group's policy is to depreciate at rates calculated to write off the cost of plant, property and equipment, less its estimated residual value, over its expected useful life from the date of purchase on the following basis:

- Leasehold Improvements: 5 years
- Office and computer equipment: 2-4 years; and
- Office furniture: 4-5 years.

## INVESTMENTS

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Where a group reorganisation transfers business from one group company to another but no consideration is paid for the goodwill, the carrying value of the investment will be considered for reallocation to goodwill. Where a reduction in the investment balance may need to be recorded as a result of goodwill amortisation and/or post-acquisition losses this will be recognised as an adjustment to equity arising from the use of merger accounting principles.

## PROVISIONS

Provision is made in areas where the Directors believe there is a constructive obligation which is more than likely to be settled with an economic outflow. The amount provided for is based upon their best estimate of the amount to be settled.

## FINANCIAL INSTRUMENTS

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable. Financial assets are measured at the present value of amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities are measured at the present value of the obligation.

## PENSION COSTS

The Company operates a defined contribution scheme. Contributions are charged in the profit and loss account in the period in which the related service is provided.

## GOVERNMENT GRANTS

Government grants are recognised in other income when there is reasonable assurance that the entity will comply with the conditions attached to the grant and that the grant will be received.

## 2. REVENUE

	2021	2020
	£'000	£'000
<b>REVENUE BY GEOGRAPHIC AREA IS AS FOLLOWS:</b>		
UK	27,375	26,135
Rest of Europe	818	682
Rest of World	58	39
	<b>28,251</b>	<b>26,856</b>

All revenue is derived from the rendering of services.

## 3. OTHER INCOME

Other income	95	-
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The cash payments received from Government under the Coronavirus Job Retention Scheme have been presented as other income.

## 4. PROFIT BEFORE TAXATION

This is stated after charging:

Depreciation and Amortisation of Fixed Assets	536	598
Staff costs (see note 5)	15,122	14,454
Foreign exchange gain	(5)	(4)
Payments under operating leases	627	617
	<b>68</b>	<b>73</b>
Auditor's remuneration:		
Audit services	55	50
Non-audit services	13	23
	<b>68</b>	<b>73</b>

## 5. STAFF COSTS

Staff costs (including directors' remuneration) during the year amounted to:

Wages and salaries	12,796	12,259
Social security costs	1,478	1,424
Pension costs	848	771
	<b>15,122</b>	<b>14,454</b>

The average numbers of directors and permanent staff employed during the year were:

	NO.	NO.
Non-Executive Directors	4	4
Executive Directors	3	3
Permanent Staff	205	204
	<b>212</b>	<b>211</b>



## DIRECTORS' REMUNERATION

The total amount of Directors' remuneration and other benefits was £793k (2020: £678k). The remuneration of the highest paid Director was £277k including £13k pension contribution (2020: £272k including £13k pension contribution). Pension contributions for the Directors amounted to £40k (2020: £35k). During the financial year 3 (2020: 3) Directors accrued benefits within the Gemserv defined contribution scheme

## KEY MANAGEMENT REMUNERATION

The total amount of key management remuneration and other benefits was £1.2m (2020: £2.0m). The Executive Management Team consists of senior managers who have responsibility for business operations. The composition of the management team changed during the year to reflect a reorganisation of the business to focus on industry sectors. This includes the Executive Directors.

## 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2021 £'000	2020 £'000
<b>ANALYSIS OF TAX CHARGE FOR THE PERIOD</b>		
UK corporation tax on profits of the period	370	521
Adjustments in respect of R&D tax credit for prior years	(149)	(121)
Foreign Taxation	35	11
<b>Total current tax</b>	<b>256</b>	<b>411</b>
<b>Deferred Tax</b>		
Origination and reversal of timing differences	(15)	18
<b>Tax on profits on ordinary activities</b>	<b>241</b>	<b>429</b>
<b>Factors affecting tax charge for the period</b>		
Profit before tax	2,080	2,541
Tax on profits on ordinary activities at standard Corporation Tax rate	395	483
Effects of:		
Expenses not deductible for tax	30	69
Fixed asset timing differences	57	-
Adjustments in respect of prior periods (deferred tax)	(60)	5
Adjustments in respect of prior periods	(149)	(121)
Other movements	(32)	(7)
<b>Tax on profits on ordinary activities</b>	<b>241</b>	<b>429</b>



## 7. DIVIDENDS

	2021 £'000	2020 £'000
<b>Amounts recognised as distributions to ordinary shareholders in the year:</b>		
Proposed final 2020 ordinary dividend of 100.56p (2019: 97.06p) per share	232	223
	<u>232</u>	<u>223</u>

### Amounts not recognised as distributions to ordinary shareholders in the year:

Proposed final 2021 ordinary dividend of 103.07p (2020: 100.56p) per share	237	232
	<u>237</u>	<u>232</u>

The proposed final 2021 ordinary dividend is subject to approval by shareholders at a General Meeting and has not been included as a liability in these financial statements, in accordance with FRS 102.

## 8. INTANGIBLE FIXED ASSETS GROUP

	GOODWILL £'000	SOFTWARE £'000	TOTAL £'000
<b>COST</b>			
At 1 <sup>st</sup> April 2020	2,982	101	3,083
Additions	2,800	-	2,800
At 31 <sup>st</sup> March 2021	<u>5,782</u>	<u>101</u>	<u>5,883</u>
<b>AMORTISATION</b>			
At 1 <sup>st</sup> April 2020	461	101	562
Charge for the year	370	-	370
At 31 <sup>st</sup> March 2021	<u>831</u>	<u>101</u>	<u>932</u>
<b>NET BOOK VALUES</b>			
At 31 <sup>st</sup> March 2021	<u>4,951</u>	<u>-</u>	<u>4,951</u>
At 31 <sup>st</sup> March 2020	<u>2,521</u>	<u>-</u>	<u>2,521</u>



## 8. INTANGIBLE ASSETS COMPANY

### COST

At 1<sup>st</sup> April 2020  
Additions  
At 31<sup>st</sup> March 2021

### AMORTISATION

At 1<sup>st</sup> April 2020  
Charge for the year  
At 31<sup>st</sup> March 2021

### NET BOOK VALUES

At 31<sup>st</sup> March 2021  
  
At 31<sup>st</sup> March 2020

GOODWILL £'000	SOFTWARE £'000	TOTAL £'000
2,982	101	3,083
2,800	-	2,800
5,782	101	5,883
461	101	562
370	-	370
831	101	932
4,951	-	4,951
2,521	-	2,521



## 9. INVESTMENTS

This group has no investments.

### COMPANY

On 12th January 2021 the Company purchased 100% of the voting rights and issued share capital of Ecuity Advisory Limited and SEA Administration Limited, companies incorporated in England & Wales, specialising in energy and environmental policy, economic analysis and low carbon consultancy.

The registered office for both companies is 8 Fenchurch Place, London, EC3M 4AJ.

<b>Consideration</b>	<b>£'000</b>
Satisfied by cash	2,264
Contingent consideration	746
<b>Total Consideration</b>	<b>3,010</b>
<b>Net Assets acquired were as follows</b>	
Trade and other receivables	539
Cash and cash equivalents	214
Trade and other payables	(543)
<b>Net Assets</b>	<b>210</b>
<b>Goodwill arising on acquisition (note 8)</b>	<b>2,800</b>

The contingent consideration will be payable subject to certain performance criteria measured at the years ending 31st March 2021, 2022 and 2023. Tranches are expected to be paid following each year end.

Gemserv Limited owns 100% of the share capital of ASE Consulting Limited and Aprose Risk Limited, both active trading subsidiaries consolidated in these accounts, the registered office address 8 Fenchurch Place, London, EC3M 4AJ. The investment is valued at £nil (2020: nil).

Gemserv Limited owns 100% of the share capital of Gemserv Ireland Limited, registered address Fitzwilliam Hall Business Centre, Fitzwilliam Place, Dublin, Ireland. The investment is valued at £nil (2020: nil)

Gemserv Limited owns 100% of the share capital of Red Island Consulting Limited, registered address 8 Fenchurch Place, London, EC3M 4AJ, a dormant subsidiary. The investment is valued at £nil (2019: nil)

## 10. TANGIBLE FIXED ASSETS GROUP

	LEASEHOLD IMPROVEMENTS	OFFICE & COMPUTER EQUIPMENT	OFFICE FURNITURE	TOTAL
	£'000	£'000	£'000	£'000
<b>COST</b>				
At 1st April 2020	846	294	294	1,434
Additions	-	30	-	30
Acquired assets	-	22	50	72
At 31st March 2021	846	346	344	1,536
<b>DEPRECIATION</b>				
At 1st April 2020	703	221	241	1,165
Charge for the year	49	79	36	165
Acquired assets	-	4	17	21
At 31st March 2021	752	305	294	1,351
<b>NET BOOK VALUES</b>				
At 31st March 2021	94	41	51	185
At 31st March 2020	143	73	53	269

## TANGIBLE FIXED ASSETS COMPANY

	LEASEHOLD IMPROVEMENTS	OFFICE & COMPUTER EQUIPMENT	OFFICE FURNITURE	TOTAL
	£'000	£'000	£'000	£'000
<b>COST</b>				
At 1st April 2020	846	294	294	1,434
Additions	-	30	-	30
At 31st March 2021	846	324	294	1,464
<b>DEPRECIATION</b>				
At 1st April 2020	703	221	241	1,165
Charge for the year	49	76	32	157
At 31st March 2021	752	297	273	1,322
<b>NET BOOK VALUES</b>				
At 31st March 2021	94	27	21	142
At 31st March 2020	143	73	53	269



## 11. DEBTORS

	2021 GROUP £'000	2020 GROUP £'000	2021 COMPANY £'000	2020 COMPANY £'000
Trade receivables	4,661	4,165	3,386	3,589
Amounts owed by group undertakings	-	-	310	588
Other debtors	28	35	28	35
Prepayments and accrued income	1,413	734	1,377	681
	<u>6,102</u>	<u>4,934</u>	<u>5,101</u>	<u>4,893</u>

Trade receivables, amounts owed by group undertakings, other debtors and accrued income are carried at amortised cost.

## 12. CASH

Cash at bank	<u>2,541</u>	<u>2,532</u>	<u>2,541</u>	<u>2,532</u>
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The deposit of £2,541k (2020: £2,532k) can be released early by giving 95 days' notice to the Group's bankers.

## 13. CASH AT BANK AND IN HAND

Gemserv bank accounts	<u>8,293</u>	<u>9,461</u>	<u>6,000</u>	<u>7,879</u>
	<u>8,293</u>	<u>9,461</u>	<u>6,000</u>	<u>7,879</u>

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade payables	460	697	339	631
Other creditors	11	351	9	351
Deferred Consideration	309	486	309	486
Other tax and social security	932	797	712	713
Corporation tax	162	580	-	470
Accruals and deferred income	5,778	4,454	5,238	4,333
	<u>7,652</u>	<u>7,365</u>	<u>6,607</u>	<u>6,984</u>

Trade payables, amounts owed to group undertakings, other creditors and accruals included above are carried at amortised cost.

## 15. CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR

Deferred Consideration	<u>437</u>	<u>-</u>	<u>437</u>	<u>-</u>
	<u>437</u>	<u>-</u>	<u>437</u>	<u>-</u>

Of the £746k contingent consideration in note 9 £437k is payable in greater than one year

## 16. DEFERRED TAXATION

	2021 GROUP £'000	2020 GROUP £'000	2021 COMPANY £'000	2020 COMPANY £'000
Fixed asset timing differences	-	9	-	5
Short term timing differences	(16)	(1)	(17)	(1)
<b>Deferred tax (asset)/liability</b>	<b>(16)</b>	<b>8</b>	<b>(17)</b>	<b>4</b>
<b>The movement during the year is analysed as follows:</b>				
Balance at 1 April 2020	8	(11)	4	25
Deferred tax charged in the statement of comprehensive income	(16)	19	(17)	(21)
<b>Balance at 31 March 2021</b>	<b>(13)</b>	<b>8</b>	<b>(13)</b>	<b>4</b>

## 17. DILAPIDATION PROVISION

Included in the accounts is a provision of £225k (2020: £171k) for dilapidations, the current lease to which this dilapidation provision relates will expire in May 2024.

## 18. SHARE CAPITAL

	2021 £'000	2020 £'000
GROUP AND COMPANY		
Authorised		
500,000 Ordinary shares of £1 each (2019: 500,000)	500	500
Called up, issued and fully paid		
230,258 Ordinary shares of £1 each (2019: 230,258)	230	230

## 19. FINANCIAL COMMITMENTS

The Group and Company's total commitments for non-cancellable rent obligation under the operating lease for its premises is as follows:

	2021 £'000	2020 £'000
Due within one year	627	569
Due within two to five years	1,359	2,278
Due after more than five years	-	83

The Company signed a 10 lease on its current premises on 23rd May 2014 which included a rent free period of 27 months.

## 19. PENSION SCHEME

The Group operates defined contribution schemes. The charge for the year of £848k (2020: £771k) represents contributions payable to the schemes in respect of the year ended 31st March 2020.

## 20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption given by section 33 of FRS 102 and has therefore not given details of transactions with its wholly owned subsidiaries of the Gemserv Group.

During the year the company has made charitable donations of £5k to Us in a bus, a charity of which Victoria Goody (spouse of Alex Goody) is the chief executive. There are no amounts outstanding at year end (Charity Commission Number Charity number: 1088570).

## 21. CONTROLLING PARTY

There is no one controlling party.









# Gemserv

+44 (0)20 7090 1022

+353 (0)1 669 4630

[companysecretary@gemserv.com](mailto:companysecretary@gemserv.com)