

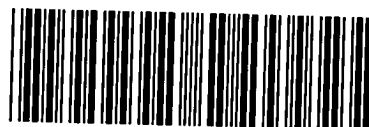
Registered number: 08991385

AVEC GLOBAL UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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COMPANIES HOUSE

AVEC GLOBAL UK LIMITED

COMPANY INFORMATION

Directors

P Dundon
J Butterfield

Registered number

08991385

Registered office

First Floor
138 Edmund Street
Birmingham
B3 2ES

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Senior Statutory Auditor
4 Hardman Square
Spinningfields
Manchester
M3 3EB

AVEC GLOBAL UK LIMITED

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AVEC GLOBAL UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The directors present their report and the financial statements for the year ended 30 June 2019.

Principal activity

The principal activity of the company is that of the supply of technology staffing and technology consulting services.

Directors

The directors who served during the year were:

P Dundon
J Butterfield

Going concern

The Directors have concluded that it is appropriate to prepare the financial statements on going concern basis but acknowledge there is the existence of a material uncertainty. Please refer to note 2.3 for further details.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

AVEC GLOBAL UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 17/6/2020

and signed on its behalf.

Jon Butterfield

J Butterfield
Director



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AVEC GLOBAL UK LIMITED

Opinion

We have audited the financial statements of Avec Global UK Limited (the 'Company') for the year ended 30 June 2019, which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its loss 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 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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that that should parent Company's funding be withdrawn, or actual results are worse than forecast then there is a risk that additional funding may be



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AVEC GLOBAL UK LIMITED
(CONTINUED)**

required. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AVEC GLOBAL UK LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AVEC GLOBAL UK LIMITED
(CONTINUED)**

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.

Michael Lowe

Michael Lowe
Senior statutory auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants
Manchester,

Date: 18/6/2020

AVEC GLOBAL UK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 £	2018 £
Turnover	4	-	34,653
Cost of sales		-	(16,298)
Gross profit		-	18,355
Administrative expenses		(429)	(63,671)
Operating loss		(429)	(45,316)
Loss for the financial year		(429)	(45,316)

The notes on pages 11 to 16 form part of these financial statements.

AVEC GLOBAL UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 £	2018 £
Loss for the financial year		(429)	(45,316)
Other comprehensive income			
Total comprehensive income for the year		(429)	(45,316)

The notes on pages 11 to 16 form part of these financial statements.

AVEC GLOBAL UK LIMITED
REGISTERED NUMBER:08991385

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	8	-	43
		<u>-</u>	<u>43</u>
Creditors: amounts falling due within one year	9	(127,231)	(126,845)
		<u>(127,231)</u>	<u>(126,845)</u>
Net current liabilities		(127,231)	(126,802)
Total assets less current liabilities		(127,231)	(126,802)
Net liabilities		(127,231)	(126,802)
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	(127,232)	(126,803)
		<u>(127,231)</u>	<u>(126,802)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime, section 415A of the Companies 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17/6/2020

J Butterfield *Jon Butterfield*
 Director

The notes on pages 11 to 16 form part of these financial statements.

AVEC GLOBAL UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2017	1	(81,487)	(81,486)
Comprehensive income for the year			
Loss for the year	-	(45,316)	(45,316)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(45,316)	(45,316)
Total transactions with owners	-	-	-
At 1 July 2018	1	(126,803)	(126,802)
Comprehensive income for the year			
Loss for the year	-	(429)	(429)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(429)	(429)
Total transactions with owners	-	-	-
At 30 June 2019	1	(127,232)	(127,231)

The notes on pages 11 to 16 form part of these financial statements.

AVEC GLOBAL UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1. General information

Avec Global UK Limited is a private company limited by shares and incorporated in the United Kingdom. Its registered office is First Floor, 138 Edmund Street, Birmingham, B3 2ES.

2. Accounting policies**2.1 Basis of preparation of financial statements**

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

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

The financial statements are presented in Sterling (£) (the company's functional currency).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Talent International (UK) Limited as at 30 June 2019 and these financial statements may be obtained from Companies House.

AVEC GLOBAL UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)**2.3 Going concern**

The company is funded through short term borrowings from its parent company. The company has obtained confirmation of the continued support of its parent undertaking. Management note that the parent entity is in breach of its existing banking covenants with the ID provider. The business is in on-going dialogue with the ID provider who have indicated that they do not intend to act upon the breach and will continue to support the business on the basis of the forecasts up and until the next renewal date or when new covenants can be put in place. Should the funding remain in place, the forecasts indicate the group will be able to continue to operate for at least 12 months from the date of approval of these financial statements.

Based on the above, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis but acknowledge there is the existence of a material uncertainty. No adjustments have been made in the accounts to reflect this uncertainty.

2.4 Revenue

The company is funded through short term borrowings from its parent company. The company has obtained confirmation of the continued support of its parent undertaking. Management note that the parent entity is in breach of its existing banking covenants with the ID provider. The business is in on-going dialogue with the ID provider who have indicated that they do not intend to act upon the breach and will continue to support the business on the basis of the forecasts up and until the next renewal date or when new covenants can be put in place. Should the funding remain in place, the forecasts indicate the group will be able to continue to operate for at least 12 months from the date of approval of these financial statements.

Based on the above, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis but acknowledge there is the existence of a material uncertainty. No adjustments have been made in the accounts to reflect this uncertainty.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Financial instruments

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the

AVEC GLOBAL UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)**2.6 Financial instruments (continued)**

difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

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

Management consider there to be no key judgements in the application of accounting policies, nor any key sources of estimation uncertainty.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

AVEC GLOBAL UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

5. Auditor's remuneration

Auditor's remuneration is borne by Talent International (UK) Limited.

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

7. Taxation

	2019 £	2018 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%)The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(429)	(45,316)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(82)	(8,610)
Effects of:		
Expenses not deductible for tax purposes	-	491
Adjustments to tax rate	(409)	855
Deferred tax not recognised	491	7,264
Total tax charge for the year	-	-

AVEC GLOBAL UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

7. Taxation (continued)

Factors that may affect future tax charges

The main rate of corporation tax was reduced from 21% to 20% from the 1 April 2015 (enacted 31 July 2013) and this was the main rate of corporation tax until 31 March 2017.

A number of changes to the UK Corporation tax system were announced in the summer 2015 Budget including that the main rate of corporation tax was to be reduced by a further 1% to 19% from 1 April 2017 and an additional 1% to 18% from 1 April 2020. These announcements were enacted on 18 November 2015.

In the 2016 Budget, it was announced that the Corporation Tax main rate will fall further to 17% from 1 April 2020. Finance Act 2016 was enacted on 15 September 2016 including the rate change to 17% from 1 April 2020.

All rate changes above had been enacted at the balance sheet date and so have been reflected in the deferred tax working where applicable.

8. Debtors

	2019 £	2018 £
Tax recoverable	-	43
	<u>-</u>	<u>43</u>
	<u>-</u>	<u>43</u>

An impairment loss of £Nil (2017: £Nil) was recognised against trade debtors.

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	250
Amounts owed to group undertakings	127,231	126,525
Accruals and deferred income	-	70
	<u>127,231</u>	<u>126,845</u>
	<u>127,231</u>	<u>126,845</u>

AVEC GLOBAL UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

10. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
1 (2018 - 1) Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

11. Reserves

Profit and loss account

Includes all current and prior period retained profit and losses.

12. Related party transactions

The company has taken advantage of the exemption available under FRS 102 from disclosing related party transactions with other group entities that are wholly owned.

13. Controlling party

The company is a wholly owned subsidiary of Talent International (UK) Limited who is the immediate parent company in the group.

The results of Avec Global UK Limited and consolidated into Talent International (UK) Limited and copies of the accounts can be obtained from its registered office.

The ultimate parent company is Talent International Holdings Pty a company registered in Australia.