

Company Registration No. 06794890 (England and Wales)

VERITAU LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR

VERITAU LIMITED

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VERITAU LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	4		40,379		18,360
Investments	5		50,080		10,080
			<u>90,459</u>		<u>28,440</u>
Current assets					
Debtors	7	258,236		199,154	
Cash at bank and in hand		369,002		418,003	
		<u>627,238</u>		<u>617,157</u>	
Creditors: amounts falling due within one year	8	<u>(244,272)</u>		<u>(265,225)</u>	
Net current assets			<u>382,966</u>		<u>351,932</u>
Total assets less current liabilities			<u>473,425</u>		<u>380,372</u>
Provisions for liabilities	9		-		(15,649)
Net assets excluding pension (liability)/surplus			<u>473,425</u>		<u>364,723</u>
Defined benefit pension (liability)/surplus	10		(395,000)		73,000
Net assets			<u><u>78,425</u></u>		<u><u>437,723</u></u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss reserves			78,423		437,721
Total equity			<u><u>78,425</u></u>		<u><u>437,723</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 23 October 2020 and are signed on its behalf by:

Mr G Fielding
Director

Company Registration No. 06794890

VERITAU LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2018	2	302,448	302,450
Year ended 31 March 2019:			
Loss for the year	-	(158,527)	(158,527)
Other comprehensive income:			
Actuarial gains on defined benefit plans	-	354,000	354,000
Tax relating to other comprehensive income	-	(60,200)	(60,200)
Total comprehensive income for the year	-	135,273	135,273
Balance at 31 March 2019	2	437,721	437,723
Year ended 31 March 2020:			
Loss for the year	-	(189,198)	(189,198)
Other comprehensive income:			
Actuarial gains on defined benefit plans	-	(210,000)	(210,000)
Tax relating to other comprehensive income	-	39,900	39,900
Total comprehensive income for the year	-	(359,298)	(359,298)
Balance at 31 March 2020	2	78,423	78,425

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Veritau Limited is a private company limited by shares incorporated in England and Wales. The registered office is West Offices, Station Rise, York, North Yorkshire, YO1 6GA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company has ongoing contracts with local councils and authorities and can tailor its expenditure accordingly in line with income levels.

The results each year are subject to the movements of the North Yorkshire Pension Fund, which is a defined benefit scheme. The company continues to meet its contributions due to the scheme on a normal contribution basis. There is a subsumption agreement in place between the company, City of York Council and North Yorkshire County Council to take on the assets or liabilities of the pension scheme should this be required.

After a detailed review of the company's resources and future prospects, the directors are confident that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

Thus, the directors to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to contract terms in line with an accounting period throughout the year. Work done on these contracts may be completed after the end of the accounting period in which the income was received. To ensure income is recognised correctly an adjustment is therefore made to reflect the value of work done in later periods.

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies **(Continued)**

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Fixtures, fittings & equipment	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The company applies a de-minimis level of £2k in relation to tangible fixed assets.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

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

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Employees

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

	2020	2019
	Number	Number
Total	58	54
	<u> </u>	<u> </u>

3 Directors' remuneration

	2020	2019
	£	£
Remuneration paid to directors	138,984	134,324
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (2019 - 2).

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2019	44,985
Additions	38,757
	<u> </u>
At 31 March 2020	83,742
	<u> </u>
Depreciation and impairment	
At 1 April 2019	26,625
Depreciation charged in the year	16,738
	<u> </u>
At 31 March 2020	43,363
	<u> </u>
Carrying amount	
At 31 March 2020	40,379
	<u> </u>
At 31 March 2019	18,360
	<u> </u>

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

5	Fixed asset investments	2020	2019
		£	£
	Shares in group undertakings and participating interests	50,080	10,080
		<u> </u>	<u> </u>
	Movements in fixed asset investments		
			Shares in group undertakings
			£
	Cost or valuation		
	At 1 April 2019		10,080
	Additions		40,000
			<u> </u>
	At 31 March 2020		50,080
			<u> </u>
	Carrying amount		
	At 31 March 2020		50,080
			<u> </u>
	At 31 March 2019		10,080
			<u> </u>

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6 Significant undertakings

The company also has significant holdings in undertakings which are not consolidated:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Veritau North Yorkshire Limited	United Kingdom	The provision of internal audits, counter fraud and information governance services.	Ordinary	50.00	-
Veritau Tees Valley Ltd	United Kingdom	The provision of internal audits, counter fraud and information governance services.	Ordinary	50.00	-

The aggregate capital and reserves and the result for the year of significant undertakings noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Veritau North Yorkshire Limited	2,207	244,302

Veritau Tees Valley Ltd was incorporated on 13 December 2019, and its first reporting period ends on 31 March 2021.

7 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	22,750	36,472
Other debtors	164,466	162,682
	<u>187,216</u>	<u>199,154</u>
Deferred tax asset	71,020	-
	<u>258,236</u>	<u>199,154</u>

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	4,032	5,445
Taxation and social security	87,837	96,759
Other creditors	152,403	163,021
	<u>244,272</u>	<u>265,225</u>

9 Deferred taxation

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

	Liabilities	Liabilities	Assets	Assets
	2020	2019	2020	2019
Balances:	£	£	£	£
ACAs	-	3,249	(4,080)	-
Retirement benefit obligations	-	12,400	75,100	-
	<u>-</u>	<u>15,649</u>	<u>71,020</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>15,649</u></u>	<u><u>71,020</u></u>	<u><u>-</u></u>
				2020
Movements in the year:				£
Liability at 1 April 2019				15,649
Credit to profit or loss				(46,769)
Credit to other comprehensive income				(39,900)
Asset at 31 March 2020				<u>(71,020)</u>

10 Retirement benefit schemes

Defined benefit schemes

The company participates in a local government pension scheme, administered by North Yorkshire County Council. The local government pension scheme is a defined benefit scheme based on final pensionable salary.

	2020	2019
<i>Key assumptions</i>	%	%
Discount rate	2.3	2.5
Expected rate of increase of pensions in payment	1.8	2.1
Expected rate of salary increases	3.05	3.35
	<u>3.05</u>	<u>3.35</u>

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

10 Retirement benefit schemes	(Continued)	
<i>Mortality assumptions</i>	2020	2019
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	21.8	22.2
- Females	23.9	25.3
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	23.5	23.9
- Females	25.7	27.2
	<u> </u>	<u> </u>
	2020	2019
<i>Amounts recognised in the profit and loss account</i>	£	£
Current service cost	487,000	379,000
Net interest on net defined benefit liability/(asset)	(5,000)	(1,000)
Other costs and income	-	111,000
	<u> </u>	<u> </u>
Total costs	482,000	489,000
	<u> </u>	<u> </u>
	2020	2019
<i>Amounts taken to other comprehensive income</i>	£	£
Actual return on scheme assets	379,000	(554,000)
Less: calculated interest element	179,000	166,000
	<u> </u>	<u> </u>
Return on scheme assets excluding interest income	558,000	(388,000)
Actuarial changes related to obligations	(348,000)	34,000
	<u> </u>	<u> </u>
Total costs/(income)	210,000	(354,000)
	<u> </u>	<u> </u>
The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:		
	2020	2019
	£	£
Present value of defined benefit obligations	7,231,000	7,012,000
Fair value of plan assets	(6,836,000)	(7,085,000)
	<u> </u>	<u> </u>
Deficit/(surplus) in scheme	395,000	(73,000)
	<u> </u>	<u> </u>

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

10	Retirement benefit schemes	(Continued)
		2020
	<i>Movements in the present value of defined benefit obligations</i>	£
	Liabilities at 1 April 2019	7,012,000
	Current service cost	487,000
	Benefits paid	(187,000)
	Contributions from scheme members	93,000
	Actuarial gains and losses	(348,000)
	Interest cost	174,000
		<hr/>
	At 31 March 2020	7,231,000
		<hr/> <hr/>
		2020
	<i>The defined benefit obligations arise from plans funded as follows:</i>	£
	Wholly unfunded obligations	-
	Wholly or partly funded obligations	7,231,000
		<hr/>
		7,231,000
		<hr/> <hr/>
		2020
	<i>Movements in the fair value of plan assets</i>	£
	Fair value of assets at 1 April 2019	7,085,000
	Interest income	179,000
	Return on plan assets (excluding amounts included in net interest)	(558,000)
	Benefits paid	(187,000)
	Contributions by the employer	224,000
	Contributions by scheme members	93,000
		<hr/>
	At 31 March 2020	6,836,000
		<hr/> <hr/>
	The actual return on plan assets was £379,000 (2019 - £554,000).	
		2020
	<i>Fair value of plan assets at the reporting period end</i>	£
		2019
		£
	Equity instruments	3,999,060
	Debt instruments	1,305,676
	Property	499,028
	Other	1,032,236
		<hr/>
		6,836,000
		<hr/> <hr/>
		3,995,940
		1,346,150
		595,140
		1,147,770
		<hr/>
		7,085,000
		<hr/> <hr/>

VERITAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11	Called up share capital	2020	2019
		£	£
	Ordinary share capital		
	Issued and fully paid		
	2 Ordinary shares of £1 each	2	2
		<u>2</u>	<u>2</u>

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Daniel Sowden.

The auditor was BHP LLP.

13 Related party transactions

North Yorkshire County Council and City of York Council each owned 50% of the shares in the company throughout the current period.

The company owns 50% of the share capital of Veritau North Yorkshire Limited and is entitled to appoint 2 directors. The other 4 shareholders are each able to appoint 1 director each. During the year the company acquired 50% of the share capital of Veritau Tees Valley Limited.

The company is under the control of the directors.

The nature of the work performed by the company is to provide internal audit services to its shareholders and their respective connected entities. The work is all performed on an arms length basis and under normal market conditions. Any costs incurred are also on an arms length basis and under normal market conditions.

