

Company Registration No. SC293432 (Scotland)

**2I LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

## 2I LIMITED

### COMPANY INFORMATION

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<b>Director</b>	Mr D Kelly
<b>Company number</b>	SC293432
<b>Registered office</b>	Ardmore House 3rd Floor 40 George Street Edinburgh EH2 2LE
<b>Auditor</b>	MRT Accountants Limited Market House 10 Market Walk Saffron Walden Essex CB10 1JZ

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## 2I LIMITED

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## 2I LIMITED

### STRATEGIC REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2023

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The director presents the strategic report for the year ended 31 December 2023.

#### **Fair review of the business**

As with previous years, the principal activity of the company in this financial year was to provide quality assurance and quality engineering services to public and private sector organisations.

These services include test engineering/automation, manual software testing, non-functional testing as well as strategic, software test and project delivery consultancy.

The company has also created its own test engineering academy which employs people with software skills and trains them in the skills of test engineering, automation, performance testing and test data generation.

This has driven the growth of our test engineering division which remains one of our key strategic services and helps us to provide innovative services and solutions, including our own bespoke test-focused products, that drive efficiencies and cost savings for our clients.

Company revenue for the year increased by 7% to £23.0m (2022 - £21.5m) with EBITDA also improving by 6% to £1.96m (2022 - £1.86m).

#### **Principal risks and uncertainties**

##### Economic Stability

After a particularly uncertain period which drove high-inflation and a sharp rise in interest rates, the economic outlook in the UK appears to be improving. As such, we do not believe that this will cause any particular issue going forward.

##### Geo-Political Uncertainty

There are several situations throughout the world that could ultimately impact negatively on conditions that support our business strength. The Directors monitor these situations continuously and are confident that these are being managed successfully.

##### Artificial Intelligence

The recent emergence of artificial intelligence (AI) within the technology space presents both risks and opportunities. We have mitigated the risk of AI to our business by setting up an innovation department that aims to understand the potential of AI and establish how it can be used within our business to improve our engagements with clients.

#### **Key performance indicators**

Turnover increased by 7% to £23.0m (2022 - £21.5m) and EBITDA increased by 6% to £1.96m (2022 - £1.86m).

#### **Post balance sheet events**

In April 2024, the company entered into a Share Purchase Agreement with the private equity firm Rockpool Investments. This was a strategic move by the company to support our ambitious growth plans for the coming years.

On behalf of the board

Mr D Kelly  
**Director**

17 December 2024

## **2I LIMITED**

### **DIRECTOR'S REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2023**

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The director presents his annual report and financial statements for the year ended 31 December 2023.

#### **Principal activities**

The principal activity of the company continued to be the provision of testing and risk assurance for software and systems development projects.

#### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £440,000. The director does not recommend payment of a final dividend.

#### **Directors**

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

Mr D Kelly

Mr I Bell

(Resigned 29 April 2024)

#### **Qualifying third party indemnity provisions**

The company has not made any qualifying third party indemnity provisions for the benefit of its directors during the financial year or up to the reporting date.

#### **Financial instruments**

The company does not use derivatives for either financial risk management or for speculative purposes. The company's financial risk management objectives, policies and exposure to financial risks are not considered material for the assessment of the company's assets, liabilities, financial position or result for the year and as such, no further disclosure is considered necessary.

#### **Post reporting date events**

On 29 April 2024, the company's shareholders completed a transaction with Rockpool Investments, facilitating an eight-figure investment into the 2I business to support future growth aspirations. The completed transaction resulted in the formation of new intermediate and ultimate parent undertakings and a new ultimate controlling party. Further details are outlined at note 23.

Linked to the above transaction and also on 29 April 2024, the company issued 454 G Ordinary shares of £1 each at par value following the exercise of certain of the company's issued share options.

#### **Auditor**

The auditor, MRT Accountants Limited, were appointed during the year and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Future developments**

As outlined above, the company completed a transaction with Rockpool Investments in April 2024 to support growth ambitions. The company has no further planned future developments but will continue to assess opportunities to improve financial performance and operational efficiencies as they arise.

#### **Going concern**

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

## **2I LIMITED**

### **DIRECTOR'S REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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#### **Statement of disclosure to auditor**

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

On behalf of the board

Mr D Kelly  
**Director**

17 December 2024

## **2I LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2023***

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The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

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

- S
- M
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- P

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

## 2I LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 2I LIMITED

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#### Opinion

We have audited the financial statements of 2i Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 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 31 December 2023 and of its 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 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.

#### 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 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 director with respect to going concern are described in the relevant sections of this report.

#### 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 director is responsible for the other information contained within the annual report. 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. 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 our audit:

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

## 2I LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF 2I LIMITED

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's 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, 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor 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.

#### *Extent to which the audit is considered capable of detecting irregularities, including fraud*

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with applicable laws and regulations and for the prevention and detection of fraud.

## 2I LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF 2I LIMITED

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*Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)*

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are:

- FRS 102 (United Kingdom Generally Accepted Accounting Practice);
- The Companies Act 2006.

In addition, the company is subject to other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to its ability to operate or to avoid a material penalty. These include tax legislation known as the 'Off-Payroll working rules' (Chapter 10, Part 2 of Income Tax (Earnings and Pensions) Act 2003.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud.

Based on the results of our risk assessment we designed audit procedures to identify fraud or non-compliance with such laws and regulations identified above. The relevant audit procedures performed included but were not limited to:

- undertaking detailed review of the completeness and accuracy of disclosures;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- review of estimates and the appropriateness of their basis as well as consideration of any indicated irregularities or management bias;
- testing the recognition of a sample of revenue items with reference to the relevant supporting documentation; and
- reviewing the internal controls and processes established for compliance with the 'Off-Payroll working rules' in connection with the use of subcontractors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **2I LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF 2I LIMITED**

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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.

**James Robert Marchant FCCA (Senior Statutory Auditor)**  
**For and on behalf of MRT Accountants Limited**

18 December 2024

**Chartered Accountants**  
**Statutory Auditor**

Market House  
10 Market Walk  
Saffron Walden  
Essex  
CB10 1JZ  
United Kingdom

## 2I LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	23,002,094	21,538,502
Cost of sales		(16,410,280)	(15,884,414)
<b>Gross profit</b>		6,591,814	5,654,088
Administrative expenses		(4,664,599)	(3,818,298)
<b>Operating profit</b>	<b>4</b>	1,927,215	1,835,790
Interest receivable and similar income	<b>7</b>	32,221	6,786
Interest payable and similar expenses	<b>8</b>	-	(2,457)
<b>Profit before taxation</b>		1,959,436	1,840,119
Tax on profit	<b>9</b>	(513,446)	(379,627)
<b>Profit and total comprehensive income for the financial year</b>		1,445,990	1,460,492

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

## 2I LIMITED

### BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		274,828		67,966
Investments	12		-		-
			<u>274,828</u>		<u>67,966</u>
<b>Current assets</b>					
Debtors	14	2,102,921		2,301,549	
Cash at bank and in hand		2,902,055		2,039,971	
		<u>5,004,976</u>		<u>4,341,520</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(2,498,075)</u>		<u>(2,485,475)</u>	
<b>Net current assets</b>			<u>2,506,901</u>		<u>1,856,045</u>
<b>Total assets less current liabilities</b>			<u>2,781,729</u>		<u>1,924,011</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	17	<u>52,832</u>		<u>13,215</u>	
			<u>(52,832)</u>		<u>(13,215)</u>
<b>Net assets</b>			<u><u>2,728,897</u></u>		<u><u>1,910,796</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		1,875		2,188
Capital redemption reserve			9,063		8,750
Other reserves			27,217		15,106
Profit and loss reserves	21		<u>2,690,742</u>		<u>1,884,752</u>
<b>Total equity</b>			<u><u>2,728,897</u></u>		<u><u>1,910,796</u></u>

The financial statements were approved by the board of directors and authorised for issue on 17 December 2024 and are signed on its behalf by:

Mr D Kelly  
Director

Company Registration No. SC293432

## 2I LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£
<b>Balance at 1 January 2022</b>	2,188	8,750	3,228	749,260	763,426
<b>Year ended 31 December 2022:</b>					
Profit and total comprehensive income for the year	-	-	-	1,460,492	1,460,492
Dividends	10	-	-	(325,000)	(325,000)
Credit to equity for equity settled share-based payments	-	-	11,878	-	11,878
<b>Balance at 31 December 2022</b>	2,188	8,750	15,106	1,884,752	1,910,796
<b>Year ended 31 December 2023:</b>					
Profit and total comprehensive income for the year	-	-	-	1,445,990	1,445,990
Dividends	10	-	-	(440,000)	(440,000)
Repurchase of shares	20	(313)	313	(200,000)	(200,000)
Credit to equity for equity settled share-based payments	-	-	12,111	-	12,111
<b>Balance at 31 December 2023</b>	1,875	9,063	27,217	2,690,742	2,728,897

## 2I LIMITED

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	2,190,021		1,892,210	
Interest paid		-		4,330	
Income taxes paid		(471,033)		(357,370)	
		<u>1,718,988</u>		<u>1,539,170</u>	
<b>Net cash inflow from operating activities</b>					
<b>Investing activities</b>					
Purchase of tangible fixed assets		(249,458)		(47,660)	
Interest received		32,221		-	
		<u>(217,237)</u>		<u>(47,660)</u>	
<b>Net cash used in investing activities</b>					
<b>Financing activities</b>					
Repurchase of shares		(200,000)		-	
Dividends paid		(440,000)		(325,000)	
		<u>(640,000)</u>		<u>(325,000)</u>	
<b>Net cash used in financing activities</b>					
<b>Net increase in cash and cash equivalents</b>					
		861,751		1,166,510	
Cash and cash equivalents at beginning of year		2,039,971		873,461	
		<u>2,901,722</u>		<u>2,039,971</u>	
<b>Cash and cash equivalents at end of year</b>					
<b>Relating to:</b>					
Cash at bank and in hand		2,902,055		2,039,971	
Bank overdrafts and invoice finance included in creditors payable within one year		(333)		-	
		<u>2,901,722</u>		<u>2,039,971</u>	

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

##### Company information

2i Limited is a private company limited by shares incorporated in Scotland. The registered office is Ardmore House, 3rd Floor, 40 George Street, Edinburgh, EH2 2LE.

#### 1.1 Accounting convention

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

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

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

Under s405 of the Companies Act 2006 the company has taken exemption from the requirement to include immaterial subsidiaries where inclusion is not material for the purposes of giving a true or fair view. As the company has only one immaterial subsidiary, the company has no subsidiary undertakings to consolidate and has thus prepared company only financial statements.

#### 1.2 Going concern

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

#### 1.3 Turnover

Turnover relates to the provision of software and risk assurance services. Turnover is recognised at the fair value of the consideration received or receivable and is shown net of VAT and other sales related taxes.

Revenue is recognised over the period the underlying services are provided.

#### 1.4 Tangible fixed assets

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

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

Leasehold improvements	5 years straight line
Office equipment	4 years straight line

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

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies (Continued)

##### 1.5 Fixed asset investments

Interests in subsidiaries 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 the statement of comprehensive income.

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.

##### 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 the statement of comprehensive income.

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 the statement of comprehensive income.

##### 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 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.

##### **Basic financial assets**

Basic financial assets, which include certain 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.

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***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 certain creditors 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 receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 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 statement of comprehensive income 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.

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### 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.

##### 1.12 Retirement benefits

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

##### 1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

##### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 2 Judgements and key sources of estimation uncertainty

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

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

The director does not consider there to be any key sources of estimation uncertainty or critical judgements which have a material impact on the presentation of the company's assets or liabilities or results reported for the financial year.

#### 3 Turnover and other revenue

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Rendering of services	23,002,094	21,538,502
	<u>23,002,094</u>	<u>21,538,502</u>
	2023	2022
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	23,002,094	21,538,502
	<u>23,002,094</u>	<u>21,538,502</u>
	2023	2022
	£	£
<b>Other revenue</b>		
Interest income	32,221	6,786
	<u>32,221</u>	<u>6,786</u>

#### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	22,650	23,000
Depreciation of owned tangible fixed assets	42,596	24,139
Share-based payments	12,111	11,878
Operating lease charges	40,329	26,414
	<u>117,686</u>	<u>85,431</u>

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 5 Employees

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

	2023 Number	2022 Number
Executive Board and Management	3	3
Operations	6	3
Finance	2	2
People and Culture (HR)	11	12
Sales and Marketing	4	2
Delivery Management	7	4
Account Management	3	3
Graduate Engineer	2	8
Client Delivery	94	71
Total	<u>132</u>	<u>108</u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	6,772,701	5,090,699
Social security costs	763,085	616,647
Pension costs	327,147	294,361
	<u>7,862,933</u>	<u>6,001,707</u>

#### 6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	17,186	25,833
Company pension contributions to defined contribution schemes	625	23,335
	<u>17,811</u>	<u>49,168</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 2).

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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<b>7</b>	<b>Interest receivable and similar income</b>	<b>2023</b>	<b>2022</b>
		£	£
	<b>Interest income</b>		
	Interest on bank deposits	26,653	2,485
	Other interest income	5,568	4,301
	Total income	<u>32,221</u>	<u>6,786</u>
<b>8</b>	<b>Interest payable and similar expenses</b>	<b>2023</b>	<b>2022</b>
		£	£
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts and loans	-	1,780
	Other interest on financial liabilities	-	677
		<u>-</u>	<u>2,457</u>
<b>9</b>	<b>Taxation</b>	<b>2023</b>	<b>2022</b>
		£	£
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	475,186	377,523
	Adjustments in respect of prior periods	(1,357)	-
	Total current tax	<u>473,829</u>	<u>377,523</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	39,617	2,911
	Adjustment in respect of prior periods	-	(807)
	Total deferred tax	<u>39,617</u>	<u>2,104</u>
	Total tax charge	<u>513,446</u>	<u>379,627</u>

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## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 9 Taxation (Continued)

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

	2023 £	2022 £
Profit before taxation	1,959,436	1,840,119
Expected tax charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	460,859	349,623
Tax effect of expenses that are not deductible in determining taxable profit	51,688	34,637
Adjustments in respect of prior years	(1,357)	(1,140)
Group relief	-	(1,475)
Other non-reversing timing differences	12	-
Fixed asset differences	(100)	(2,717)
Remeasurement of deferred tax for changes in tax rates	2,344	699
Taxation charge for the year	513,446	379,627

A change in the UK Corporation tax rate to 25% took effect from 1 April 2023. This change has had a consequential effect on the company's tax charge with the standard rate of tax in the current year reflective of a marginal tax rate arising from the company's period straddling the 19% and 25% tax rates. Deferred tax has been calculated at 25%

#### 10 Dividends

	2023 £	2022 £
Interim paid	440,000	325,000

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Tangible fixed assets	Leasehold	Office equipment	Total
	improvements		
	£	£	£
<b>Cost</b>			
At 1 January 2023	4,659	133,421	138,080
Additions	166,610	82,848	249,458
	<u>171,269</u>	<u>216,269</u>	<u>387,538</u>
At 31 December 2023	171,269	216,269	387,538
<b>Depreciation and impairment</b>			
At 1 January 2023	4,659	65,455	70,114
Depreciation charged in the year	13,014	29,582	42,596
	<u>17,673</u>	<u>95,037</u>	<u>112,710</u>
At 31 December 2023	17,673	95,037	112,710
<b>Carrying amount</b>			
At 31 December 2023	<u>153,596</u>	<u>121,232</u>	<u>274,828</u>
At 31 December 2022	<u>-</u>	<u>67,966</u>	<u>67,966</u>

12 Fixed asset investments	2023	2022
Investments in subsidiaries	13	-
	<u>-</u>	<u>-</u>

#### Movements in fixed asset investments

	Shares in
	£
<b>Cost</b>	
At 1 January 2023 & 31 December 2023	100
<b>Impairment</b>	
At 1 January 2023 & 31 December 2023	100
<b>Carrying amount</b>	
At 31 December 2023	-
At 31 December 2022	-

### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
2i Resourcing Limited	117 Hanover Street, Edinburgh, EH2 1DJ	Non-trading	Ordinary	100.00

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 13 Subsidiaries (Continued)

Under s405 of the Companies Act 2006 the company has taken exemption from the requirement to include immaterial subsidiaries where inclusion is not material for the purposes of giving a true or fair view.

Zi Resourcing Limited was dissolved on 9 April 2024.

#### 14 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	1,587,938	1,872,665
Corporation tax recoverable	71,538	71,538
Amounts owed by group undertakings	1,838	1,838
Other debtors	225,519	272,790
Prepayments and accrued income	216,088	82,718
	<u>2,102,921</u>	<u>2,301,549</u>

Included in other debtors is £225,519 (2022 - £219,951) owed from company directors. Further details are outlined at note 25.

#### 15 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	as restated £
Bank overdrafts and invoice finance facilities	16	333	-
Trade creditors		866,707	763,178
Corporation tax		276,260	273,464
Other taxation and social security		747,676	768,615
Other creditors		10,971	9,791
Accruals and deferred income		596,128	670,427
		<u>2,498,075</u>	<u>2,485,475</u>

Bank overdrafts and invoice finance facilities stated above are secured by a floating charge over the company's assets.

#### Prior period restatement

The prior year financial statements have been restated to correct for the presentation of certain liabilities recorded within the financial statements. The company had previously reflected trade creditor liabilities and associated input tax in respect of certain goods and services provided in the December 2022 year which remained outstanding at the comparative balance sheet date. The invoices relating to these goods and services were dated January 2023 and should therefore have been recorded as an accrual, exclusive of VAT, as at December 2022. As a result of the restatement, trade creditors has reduced by £283,548, other taxation and social security has increased by £47,258 and accruals have increased by £236,920. There has been no impact to the previously reported creditors falling due within one year. There has been no impact on the statement of changes in equity.

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 16 Loans and overdrafts

	2023 £	2022 £
Bank overdrafts and invoice finance facilities	333	-
Payable within one year	333	-

#### 17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
<b>Balances:</b>		
Timing differences	52,832	13,215
<b>Movements in the year:</b>		2023 £
Liability at 1 January 2023		13,215
Charge to profit or loss		39,617
Liability at 31 December 2023		52,832

#### 18 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	327,147	294,361

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

Contributions totalling £9,457 (2022 - £Nil) were payable to the fund at the year end and are included in creditors.

#### 19 Share-based payment transactions

The company has in place an equity-settled share option scheme for certain employees. 454 (2022 - 454) options are exercisable at a price of £1 on a new class of shares to be created and 100 (2022 - 100) options are exercisable at £100 on existing share classes. The vesting date occurs on an "Exit event" subject to option holders still being employed by the company at that date. Options will expire if they are not exercised within a period of 10 years from the grant date.

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 19 Share-based payment transactions (Continued)

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 January 2023	554	630	18.87	16.71
Forfeited	-	(76)	-	1.00
	<u>554</u>	<u>554</u>	<u>18.87</u>	<u>18.87</u>
Outstanding at 31 December 2023	554	554	18.87	18.87
	<u>554</u>	<u>554</u>	<u>18.87</u>	<u>18.87</u>
Exercisable at 31 December 2023	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The fair value of the share options at the grant date was calculated by the directors using the Black Scholes model. This was deemed appropriate as there are no market performance related vesting conditions.

#### Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £12,111 (2022 - £11,878) which related to equity settled share based payment transactions.

#### Post reporting date events

As outlined at note 23, the company's share options were exercised following the occurrence of an "Exit event" under the share option terms. Following settlement, the company will account for an acceleration of vesting and recognise the remaining share based payment charge of £28,072 in the next reporting period.

#### 20 Share capital

	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
C Ordinary shares of £1 each	625	625	625	625
D Ordinary shares of £1 each	0	313	-	313
E Ordinary shares of £1 each	625	625	625	625
F Ordinary shares of £1 each	625	625	625	625
	<u>1,875</u>	<u>2,188</u>	<u>1,875</u>	<u>2,188</u>
	<u>1,875</u>	<u>2,188</u>	<u>1,875</u>	<u>2,188</u>

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 20 Share capital

(Continued)

C and E Ordinary shares entitle the holder to one vote per share.

F Ordinary shares do not confer any voting rights.

All shares shall be entitled to be paid such a proportion, as may be decided by the directors, of (a) any distribution of profits of the company, and (b) any distribution arising from a winding up of the company. The shares are not redeemable.

On 9 May 2023, the company repurchased and subsequently cancelled the D Ordinary shares of £1 each for a total consideration of £200,000.

On 29 April 2024, the company re-designated the 625 E Ordinary shares of £1 each to 625 C Ordinary shares of £1 each.

Also on 29 April 2024, the company issued 454 G Ordinary shares of £1 each at par value following the exercise of certain of the company's issued share options.

#### 21 Reserves

##### Profit and loss reserve

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

##### Other reserve - Share-based payment reserve

The share-based payment reserve represents a reserve which has arisen on accounting for equity-settled share-based payment arrangements.

##### Capital redemption reserve

The capital redemption reserve represents amounts arising from the purchase of own share capital.

#### 22 Operating lease commitments

##### Lessee

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

	2023	2022
	£	£
Within one year	75,550	7,825
Between two and five years	111,450	-
	<u>187,000</u>	<u>7,825</u>

#### 23 Events after the reporting date

On 29 April 2024, the company's shareholders completed a transaction with Rockpool Investments, facilitating an eight-figure investment into the 2I business to support future growth aspirations. The completed transaction resulted in the formation of new intermediate and ultimate parent undertakings and a new ultimate controlling party. Further details are outlined at note 26.

Linked to the above transaction and also on 29 April 2024, the company issued 454 G Ordinary shares of £1 each at par value as part of the exercise the company's issued share options which were outstanding at the reporting date.

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 24 Related party transactions

##### Remuneration of key management personnel

The director regards key management as being those individuals who held office as directors during the reporting period. Details of directors' remuneration charged in the reporting period is outlined at note 6.

##### Transactions with related parties

The company has taken advantage of the disclosure exemptions available under Section 33 of FRS 102 whereby it has not disclosed transactions entered into with any wholly-owned entity of the group.

#### 25 Directors' transactions

Dividends totalling £355,000 (2022 - £195,000) were paid in the year in respect of shares held by the company's directors.

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Interest charged £	Closing balance £
Director's loan	2.50	219,951	5,568	225,519
		<u>219,951</u>	<u>5,568</u>	<u>225,519</u>

The director's loan account was fully repaid by the director on 29 April 2024.

#### 26 Ultimate controlling party

The immediate parent undertaking of the company is 2i Bidco Limited, a company whose registered address is Ardmore House 3rd Floor, 40 George Street, Edinburgh, EH2 2LE.

The ultimate parent undertaking of the company is 2i Group Limited, a company whose registered address is also Ardmore House 3rd Floor, 40 George Street, Edinburgh, EH2 2LE.

2i Group Limited is the smallest and largest entity preparing group financial statements which include 2i Limited with the first reporting period of 2i Group Limited being the period ended 31 December 2024.

There is no ultimate controlling party.

## 2I LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 27 Cash generated from operations

	2023	2022
	£	£
Profit for the year after tax	1,445,990	1,460,492
<b>Adjustments for:</b>		
Taxation charged	513,446	379,627
Finance costs	-	2,457
Investment income	(32,221)	(6,786)
Depreciation and impairment of tangible fixed assets	42,596	24,139
Equity settled share based payment expense	12,111	11,878
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	198,628	(628,160)
Increase in creditors	9,471	648,564
<b>Cash generated from operations</b>	<u>2,190,021</u>	<u>1,892,210</u>

#### 28 Analysis of changes in net funds

	1 January 2023	Cash flows	31 December 2023
	£	£	£
Cash at bank and in hand	2,039,971	862,084	2,902,055
Bank overdrafts and invoice finance facilities	-	(333)	(333)
	<u>2,039,971</u>	<u>861,751</u>	<u>2,901,722</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.