

Company registration number 07199820 (England and Wales)

ALSBRIDGE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

ALSBRIDGE LTD

COMPANY INFORMATION

Directors	Mr A R Scheller Mr R Fogel Mr S A J Lowndes Mr T F Leonard
Secretary	Mr S A J Lowndes
Company number	07199820
Registered office	Hays House Millmead Guildford Surrey GU2 4HJ
Auditor	Edwards 34 High Street Aldridge Walsall West Midlands WS9 8LZ

ALSBRIDGE LTD

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Income statement	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 20

ALSBRIDGE LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The company is a subsidiary of Information Services Group, Inc., ('ISG', 'the Group'). The Group is a management consulting firm that identifies and delivers significant improvement in the business operations of large global organisations. With over 1,300 professionals operating in 21 countries, ISG brings together a more comprehensive range of research, consulting and managed services offerings to deliver even greater value for our clients. From trusted business performance metrics and detailed assessment analytics to industry-leading transformation methodologies, ISG helps clients assess, optimise, and manage their operational environment and drive operational excellence throughout your organisation. The Company provides the services offered by the Group to its customers within the UK and Europe.

Results and dividends

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

No ordinary dividends were paid. The directors do 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 A R Scheller
Mr R Fogel
Mr S A J Lowndes
Mr T F Leonard

Directors' insurance

Throughout the financial year and up to the date of the approval of these financial statements, the ultimate parent company, Information Services Group, Inc., maintained Directors' and Officers' Liability insurance policies on behalf of the directors of the company. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

Auditor

In accordance with the company's articles, a resolution proposing that Edwards be reappointed as auditor of the company will be put at a General Meeting.

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.

Funding and liquidity

The company has net current liabilities of £1,698,279 (2021: £1,579,121) and net liabilities of £1,932,262 (2021: £1,735,257) at 31 December 2022. The financial statements have been prepared on a going concern basis, which is dependent on the continuing financial support of the ultimate parent company, Information Services Group, Inc.

Information Services Group, Inc. has confirmed that it will provide financing to the company, if required, to allow the company to pay its debts as they fall due, for a period of at least twelve months following the signing of these financial statements.

ALSBRIDGE LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

Mr S A J Lowndes
Director

29 September 2023

ALSBRIDGE LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- 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 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.

ALSBRIDGE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALSBRIDGE LTD

Opinion

We have audited the financial statements of Alsbridge Ltd (the 'company') for the year ended 31 December 2022 which comprise the income statement, the statement of financial position, the statement of changes in equity 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 101 Reduced Disclosure Framework (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 2022 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.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the 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 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.

ALSBRIDGE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALSBRIDGE LTD

Matters on which we are required to report by exception

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.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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:

Based on our understanding of the industry, we identified that the principal risks of non-compliance related to health and safety, GDPR and employment law. We considered the extent to which non-compliance might have a material affect on the financial statements. We also considered those laws and regulations that have a direct impact on preparation of the financial statements, such as the Companies Act 2006. We examined management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of overriding of controls) and determined that the principal risks were relating to management bias in accounting estimates, in particular those of work in progress and also revenue recognition in relation to contracts. We also discussed with management the possibility of non-compliance with health and safety and GDPR regulations and reviewed the management controls in place to detect such irregularities. Audit procedures included challenging assumptions made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions described in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one due to error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

ALSBRIDGE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALSBRIDGE LTD

Use of our report

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

Paul Tonks BSc (Econ) FCA (Senior Statutory Auditor)
For and on behalf of Edwards

29 September 2023

Chartered Accountants
Statutory Auditor

34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

ALSBRIDGE LTD

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	4	2,885,310	2,695,925
Cost of sales		(1,764,053)	(1,531,842)
Gross profit		1,121,257	1,164,083
Administrative expenses		(1,319,041)	(1,130,265)
(Loss)/profit before taxation	5	(197,784)	33,818
Tax on (loss)/profit	8	-	-
(Loss)/profit and total comprehensive income for the financial year		(197,784)	33,818

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

ALSBRIDGE LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Trade and other receivables	9	3,770,697		4,242,641	
Cash and cash equivalents		41,019		299,155	
		<u>3,811,716</u>		<u>4,541,796</u>	
Current liabilities	10	(5,509,995)		(6,120,917)	
Net current liabilities			(1,698,279)		(1,579,121)
Non-current liabilities	10		(233,983)		(156,136)
Net liabilities			<u>(1,932,262)</u>		<u>(1,735,257)</u>
Equity					
Called up share capital	14		1,000		1,000
Retained earnings			(1,933,262)		(1,736,257)
Total equity			<u>(1,932,262)</u>		<u>(1,735,257)</u>

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

Mr S A J Lowndes
Director

Company Registration No. 07199820

ALSBRIDGE LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2021	1,000	(1,770,075)	(1,769,075)
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	33,818	33,818
Balance at 31 December 2021	1,000	(1,736,257)	(1,735,257)
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	(197,784)	(197,784)
Adjustment in respect of employee share schemes	-	779	779
Total comprehensive income for the year	-	(197,005)	(197,005)
Balance at 31 December 2022	1,000	(1,933,262)	(1,932,262)

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Alsbridge Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Hays House, Millmead, Guildford, Surrey, GU2 4HJ. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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 on the historical cost basis. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Information Services Group, Inc. The group accounts of Information Services Group, Inc are available to the public.

1.2 Going concern

The company monitors cash flow as part of its control procedures. The directors consider cash flow projections on a monthly basis and ensure that appropriate facilities are available to be drawn upon as necessary.

Based upon the activity levels forecast and confirmation that sufficient financial support will be provided by the ultimate parent company, the directors consider that the company will be able to maintain its cash at bank resources through the period that is twelve months from the date of approval of these financial statements.

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

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 Revenue

The nature, timing of satisfaction of performance obligations and significant payment terms of the company's major sources of revenue are as follows:

Revenue is recognised for the sale of services by applying the following five steps: (1) identify the contract with the customer; (2) identify the performance obligation(s) in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligation(s); and (5) recognise revenue when (or as) the Company satisfies the performance obligations.

The Company principally derives revenues from fees for services generated on a project by project basis. Prior to the commencement of a project, the Company reaches agreement with the client on rates for services based upon the scope of the project, staffing requirements and the level of client involvement. It is the Company's policy to obtain written agreements from clients prior to performing services. In these agreements, the clients acknowledge that they will pay based upon the amount of time spent on the project or an agreed upon fee structure. In instances where substantive acceptance provisions are specified in customer contracts, revenues are deferred until all acceptance criteria have been met.

Revenues for time and materials contracts are recognised based on the number of hours worked by our advisors at an agreed upon rate per hour and are recognised in the period in which services are performed. Revenues for time and materials contracts are billed monthly, semi-monthly or in accordance with the specific contractual terms of each project.

Revenues related to fixed fee or capped fee contracts are recognised into revenue as value is delivered to the customer, consistent with the transfer of control to the customer over time. Revenue for these contracts is recognised proportionally over the term of the contract using an input method based on the proportion of labour hours incurred as compared to the total estimated labour hours for the project, which we consider the best available indicator of the pattern and timing in which contract obligations are fulfilled and control transfers to the customer. The percentage is multiplied by the contracted amount of the project to determine the amount of revenue to recognise in an accounting period. The contracted amount used in this calculation typically excludes the amount the client pays for reimbursable expenses. There are situations where the number of hours to complete projects may exceed our original estimate as a result of an increase in project scope or unforeseen events.

Where revenue recognised exceeds progress billings, the balance is recognised as accrued income within trade and other receivables. Where progress billings exceed revenue recognition recognised, the balance is recognised as deferred income within trade and other payables.

1.4 Cash and cash equivalents

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

1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

Impairment of financial assets

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 Equity instruments

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

1.8 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 income statement 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 tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary 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 income statement, 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.

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 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 inventories or non-current 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.

1.10 Retirement benefits

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

1.11 Share-based payments

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

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Adoption of new and revised standards and changes in accounting policies

In the current year, there were no new and revised Standards and Interpretations that had been adopted by the company which had an effect on the current period or future periods.

3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Critical accounting estimates and judgements

(Continued)

Key sources of estimation uncertainty

Revenue recognition

Revenues related to fixed-price contracts for application development and systems integration services, consulting or other technology services are recognised as the service is performed using the cost to cost method, under which the total value of revenues is recognised on the basis of the percentage that each contract's total labour cost to date bears to the total expected labour costs. Revenues related to fixed-price application maintenance, testing and business process services are recognised using the cost to cost method, if the right to invoice is not representative of the value being delivered. The cost to cost method requires estimation of future costs, which is updated as the project progresses to reflect the latest available information.

Such estimates and changes in estimates involve the use of judgment. The cumulative impact of any revision in estimates is reflected in the financial reporting period in which the change in estimate becomes known and any anticipated losses on contracts are recognised immediately. Changes in estimates of such future costs and contract losses were immaterial to the results of operations for the periods presented.

Further, we include in the transaction price variable consideration only to the extent it is probable that a significant reversal of revenues recognised will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us. Our estimates of variable consideration were immaterial to the results of operations for the periods presented.

Recoverability of debtors and unbilled revenue

Management make an estimate on the recoverability of debtors and unbilled revenue at the year end. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Revenue

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and the company is therefore exempt from the requirement to disclose a geographic analysis of revenue.

Contract assets

A contract asset is a right of consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price contracts utilising the cost to cost method of revenue recognition.

	2022	2021
	£	£
Unbilled revenue	315,893	979,973

Contract liabilities

Contract liabilities primarily relate to customer advances on certain projects.

	2022	2021
	£	£
Fees received in advance	42,733	113,530

5 Operating (loss)/profit

	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(13,529)	4,190
Fees payable to the company's auditor for the audit of the company's financial statements	12,800	11,650

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Employees

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

	2022 Number	2021 Number
Project related	16	12

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,586,690	1,217,991
Social security costs	188,431	144,103
Pension costs	84,948	70,394
	<u>1,860,069</u>	<u>1,432,488</u>

7 Directors' remuneration

The remuneration of all of the directors was borne by other group subsidiaries which make no recharge to the company. The directors are also directors of a number of fellow group subsidiaries and it is not possible to make an accurate apportionment of their remuneration in respect of each of the other companies that they are a director of.

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax for the current period	-	-
Total UK current tax	-	-

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2022 £	2021 £
(Loss)/profit before taxation	(197,784)	33,818
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2021: 19.00%)	(37,579)	6,425
Effect of expenses not deductible in determining taxable profit	2,601	-
Utilisation of tax losses not previously recognised	-	(6,425)
Group relief	34,978	-
Taxation charge for the year	-	-

The company has tax losses carried forward of £602,834 (2021 - £602,834).

Factors that may affect future tax charges

In October 2022, the UK Government announced that the proposed increase in the UK Corporation Tax rate to 25% will go ahead as planned starting 1 April 2023. As such, any deferred tax has been recognised at future tax rates based on the estimated timing of reversal.

There were no other factors that may affect future tax charges.

9 Trade and other receivables

	2022 £	2021 £
Trade receivables	880,517	852,680
Amounts owed by fellow group undertakings	2,564,556	2,401,688
Other receivables	321,538	985,793
Prepayments and accrued income	4,086	2,480
	3,770,697	4,242,641

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Liabilities

		Current		Non-current	
	Notes	2022	2021	2022	2021
		£	£	£	£
Trade and other payables	11	5,398,189	6,018,192	233,983	156,136
Corporation tax		1,237	1,237	-	-
Other taxation and social security		110,569	101,488	-	-
		<u>5,509,995</u>	<u>6,120,917</u>	<u>233,983</u>	<u>156,136</u>

11 Trade and other payables

		Current		Non-current	
		2022	2021	2022	2021
		£	£	£	£
Amounts owed to fellow group undertakings		4,922,867	4,877,466	-	-
Accruals and deferred income		487,473	1,012,283	-	-
Other payables		(12,151)	128,443	233,983	156,136
		<u>5,398,189</u>	<u>6,018,192</u>	<u>233,983</u>	<u>156,136</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

12 Share-based payment transactions

Certain of the Company's employees are awarded restricted stock units in Information Services Group Inc., a company based in the USA. Information Services Group Inc. currently issues restricted stock units under the 2007 Equity Incentive Plan.

Restricted Stock Units

The charge in respect of restricted stock units is calculated as the fair value on date of grant multiplied by the number of restricted stock units awarded spread over the vesting period. Restricted stock units of 364 were awarded in 2021 (2021 - Nil). The average exercise price on grant date in 2022 was £5.71 (2021 - £Nil)

	Number of restricted stock units		Weighted average grant price	
	2022	2021	2022	2021
			£	£
Outstanding at 1 January 2022	-	962	-	1.62
Granted in the period	364	-	5.71	-
Exercised / released in the period	-	(962)	-	1.62
	<u>364</u>	<u>-</u>	<u>5.71</u>	<u>-</u>
Outstanding at 31 December 2022	364	-	5.71	-
	<u>137</u>	<u>-</u>	<u>5.71</u>	<u>-</u>

The total charge for the year relating to restricted stock units was £779 (2021 - £Nil).

ALSBRIDGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	84,948	70,394

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.

14 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

15 Related party transactions

The company is a wholly owned subsidiary of Information Services Group, Inc. and the company has taken advantage of the exemption provided by FRS101 from disclosing related party transactions with other wholly owned entities.

16 Controlling party

The company's immediate parent undertaking is Alsbridge Inc., a company registered in the United States of America.

The company's ultimate parent undertaking and its controlling party is Information Services Group, Inc., a company registered in the United States of America. The consolidated financial statements of Information Services Group, Inc. are available at 2187 Atlantic Street, Stamford, CT 06902, USA. No other group financial statements include the results of the company.

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.