

**Strategic Report, Report of the Directors and  
Financial Statements  
for the Year Ended 30 September 2021  
for  
BMG Research Ltd**

**Contents of the Financial Statements  
for the Year Ended 30 September 2021**

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**BMG Research Ltd**  
**Company Information**  
**for the Year Ended 30 September 2021**

|                                  |   |
|----------------------------------|---|
| <b>DIRECTORS:</b>                | Mrs D A Hands<br>P Burgess<br>Z Sajan<br>Mrs J Hendley<br>R Sant  |
| <b>REGISTERED OFFICE:</b>        | Beech House 1a Greenfield Crescent<br>Edgbaston<br>Birmingham<br>West Midlands<br>B15 3BE   |
| <b>REGISTERED NUMBER:</b>        | 02841970 (England and Wales)  |
| <b>SENIOR STATUTORY AUDITOR:</b> | David Williams  |
| <b>AUDITORS:</b>                 | Locke Williams Associates LLP<br>Chartered Accountants<br>Registered Auditors<br>c/o Blackthorn House<br>St Pauls Square<br>Birmingham<br>West Midlands<br>B3 1RL |

**Strategic Report  
for the Year Ended 30 September 2021**

The directors present their strategic report for BMG Research Limited (the "Company") for the year ended 30 September 2021.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the Company is the provision of fully integrated end to end high-quality market and social research services, from design to delivery, to clients predominantly operating in the public sector, together with the provision of Business Process Outsourcing services.

Starting in 2019, the Company has considerably expanded its Senior Management Team recruiting a number of individuals with significant industry experience and knowledge as well as opening new offices in London. These offices provide better access to the industry's best talent and ensure the senior client team is in proximity of key accounts.

The results for the Company show turnover increasing by more than double that of the prior year to £16,985,199 (2020 £7,161,223) and net profit increasing to £3,057,502 (2020 £76,481). This increase is a result of the work undertaken by the Senior Management Team including; more efficient resourcing due to greater home working; better use of technology; a reduction in ancillary and senior staff overheads and growth in the Business Process Outsourcing division.

The resilience and underlying strength of the business is well demonstrated by how it has weathered the Covid pandemic. The Company managed the slow-down in business activity which occurred as a result of the first and second lockdowns, and is now once more in a position of strength, winning significant research programmes from departments including Defra, Ofcom and HMRC. The Company has also seized the opportunities presented by the pandemic to future-proof the business further by migrating a number of client research programmes from either CATI (telephone) or CAPI (face-to-face) to online and digital methods. The result of this is that a number of programmes that would otherwise have stalled, due to CATI/CAPI fieldwork either being unsafe or not practical during a pandemic, have been able to continue and have indeed delivered higher levels of profitability due to the change in mode.

A significant part of the Company's work during the year has been its contribution to the Covid Test and Trace Programme, which forms part of the Business Process Outsourcing offering.

The Market and Social Research industry remains competitive which is expected to lead to continued changes in methodological approaches and the use of technology, an area in which the Company has demonstrated key skills to enable it to remain at the forefront of such changes.

The directors consider that maintaining and developing leading edge technology, maintaining and developing effective teams to service its clients, and delivering leadership is key to the ongoing success of the business.

**KEY PERFORMANCE INDICATORS (KPIs)**

The directors manage the business based on a number of key indicators. These include revenue growth; gross profit; gross profit margin and individual project and client profitability.

**Strategic Report  
for the Year Ended 30 September 2021**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company has considered the principal risks and uncertainties affecting the business as at 30 September 2021 and up to the date of this report. These are described below:

**Covid19**

The Company continues to manage and monitor the impact of Covid 19 on the business, taking appropriate measures to mitigate any potential risks.

The safety of the workforce and the resilience of the business are of paramount importance, resulting in a significant move to remote working. The board is, however, very conscious of the potential mental health impacts of staff being remote and, as such, have implemented initiatives to support their inclusion, health and wellbeing. Some areas of the business have grown as they are involved in providing valuable information about the effects of the pandemic. The outlook for 2022 looks strong due to the need for market research to understand the impact the pandemic has had on individuals and businesses and what the future holds.

**Staffing**

Retention of key individuals and the ability to recruit and retain staff with the right skills and experience is critical to the success of the business. To manage this risk, the Company has introduced tools to ensure regular communication, training and feedback with staff, together with ensuring the teams have the ability to meet together (whether this be virtual or in person) to celebrate successes.

**Clients**

The Company competes for clients in a competitive industry, together with the need to be on framework agreements to enable bidding on certain projects. To manage this risk the Company regularly liaises with its clients, requesting and acting on feedback thereby maintaining strong client relationships. The Company has recruited a team of insight specialists to add maximum value to client deliverables. Technological changes could impact the method in which the Company's activities are undertaken. The Chief Technology Officer and his team are constantly innovating in order to stay at the forefront of such changes.

**Sensitivity to Macro-economic trends**

The Company is sensitive to changes and uncertainty in the economic climate. Economic uncertainty can lead to a greater need for information to make informed decisions, resulting in greater demand for market research. The directors continue to monitor market conditions and tailor company strategy to address changes in the research market.

**Regulations and data protection**

The EU General Data Protection Regulations ("GDPR") came into force in May 2018. The Company is committed to ensuring the security and protection of any personal information that is processed and to provide a compliant and consistent approach to data protection. The Company is fully compliant with GDPR and have robust information security policies and procedures in place to protect personal data from unauthorised access, alteration, deletion or destruction.

The Company maintains a number of quality accreditations, including: IQCS; MRS; Fair Data; CyberEssentialsPlus; ISO20252; ISO 27001:2013; ISO 9001:2015

**ON BEHALF OF THE BOARD:**

Mrs D A Hands - Director

4 March 2022

**Report of the Directors  
for the Year Ended 30 September 2021**

The directors present their report with the financial statements of the company for the year ended 30 September 2021.

**DIVIDENDS**

Interim dividends totalling £5.30848 per share were paid on the Ordinary Shares £1 shares during the year. No dividends were paid on any other classes of shares.

The total distribution of dividends for the year ended 30 September 2021 will be £ 1,150,645 .

**DIRECTORS**

The directors set out in the table below have held office during the whole of the period from 1 October 2020 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

Mrs J Hendley - appointed 5.5.21

R Sant - appointed 4.5.21

The directors shown below were in office at 30 September 2021 but did not hold any interest in the Ordinary Shares shares of £1 each at 1 October 2020 (or date of appointment if later) or 30 September 2021.

Mrs D A Hands

P Burgess

Z Sajan

Mrs J Hendley

R Sant

**EMPLOYMENT POLICIES AND EMPLOYEE INVOLVEMENT**

The company's policy is to provide, wherever possible, employment and training and development opportunities for disabled people. It is also committed to supporting employees who become disabled and to helping disabled employees make the best possible use of their skills and potential.

The company has a culture of continuous improvement through investment in people at all levels within the company. The company is committed to pursuing equality and diversity in all its employment activities including recruitment, training, career development and promotion and ensuring there is no bias or discrimination in the treatment of people.

Employees are consulted regularly about changes which may affect them either through employee forums. These forums, together with regular meetings with particular groups of employees, are used to ensure that employees are kept up to date with the company's business performance and any financial and economic factors affecting the performance of the company.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Report of the Directors  
for the Year Ended 30 September 2021**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

Mrs D A Hands - Director

4 March 2022

## **Report of the Independent Auditors to the Members of BMG Research Ltd**

### **Opinion**

We have audited the financial statements of BMG Research Ltd (the 'company') for the year ended 30 September 2021 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **Report of the Independent Auditors to the Members of BMG Research 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 Strategic Report or the Report of the Directors.

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, 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 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.

### **Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to these risks, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of third parties where appropriate. 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 reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

**Report of the Independent Auditors to the Members of  
BMG Research 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 a Report of the Auditors 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.

David Williams (Senior Statutory Auditor)  
for and on behalf of Locke Williams Associates LLP  
Chartered Accountants  
Registered Auditors  
c/o Blackthorn House  
St Pauls Square  
Birmingham  
West Midlands  
B3 1RL

21 April 2022

**Statement of Income and  
Retained Earnings  
for the Year Ended 30 September 2021**

|   | Notes | 30.9.21<br>£            | 30.9.20<br>£     |
|---|-------|-------------------------|------------------|
| <b>TURNOVER</b>                         | 3     | <b>16,985,199</b>       | 7,161,223        |
| Cost of sales                           |       | <u>9,612,117</u>        | <u>3,775,388</u> |
| <b>GROSS PROFIT</b>                     |       | <b>7,373,082</b>        | 3,385,835        |
| Administrative expenses                 |       | <u>4,164,946</u>        | <u>3,992,612</u> |
|   |       | <b>3,208,136</b>        | (606,777)        |
| Other operating income                  |       | <u>436,184</u>          | <u>715,843</u>   |
| <b>OPERATING PROFIT</b>                 | 5     | <b>3,644,320</b>        | 109,066          |
| Interest receivable and similar income  |       | <u>635</u>              | <u>1,720</u>     |
|   |       | <b>3,644,955</b>        | 110,786          |
| Interest payable and similar expenses   | 6     | <u>19,742</u>           | <u>22,322</u>    |
| <b>PROFIT BEFORE TAXATION</b>           |       | <b>3,625,213</b>        | 88,464           |
| Tax on profit                           | 7     | <u>568,011</u>          | <u>11,983</u>    |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>    |       | <b>3,057,202</b>        | 76,481           |
| Retained earnings at beginning of year  |       | <b>1,676,100</b>        | 1,599,619        |
| Dividends                               | 8     | <b>(1,150,645)</b>      | -                |
| <b>RETAINED EARNINGS AT END OF YEAR</b> |       | <u><b>3,582,657</b></u> | <u>1,676,100</u> |

The notes form part of these financial statements

**Balance Sheet**  
**30 September 2021**

|  | Notes | 30.9.21<br>£     | £                | 30.9.20<br>£     | £                |
|--|-------|------------------|------------------|------------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                  |                  |                  |
| Tangible assets                              | 9     |                  | 1,558,256        |                  | 1,393,360        |
| Investments                                  | 10    |                  | <u>4</u>         |                  | <u>3</u>         |
|  |       |                  | <b>1,558,260</b> |                  | <b>1,393,363</b> |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |                  |                  |
| Debtors                                      | 11    | 3,231,869        |                  | 2,037,183        |                  |
| Cash at bank and in hand                     |       | <u>4,699,453</u> |                  | <u>1,693,096</u> |                  |
|  |       | <b>7,931,322</b> |                  | <b>3,730,279</b> |                  |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                  |
| Amounts falling due within one year          | 12    | <u>4,546,454</u> |                  | <u>1,832,067</u> |                  |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <b>3,384,868</b> |                  | <b>1,898,212</b> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | <b>4,943,128</b> |                  | <b>3,291,575</b> |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                  |
| Amounts falling due after more than one year | 13    |                  | (739,384)        |                  | (1,035,612)      |
| <b>PROVISIONS FOR LIABILITIES</b>            | 17    |                  | <u>(103,358)</u> |                  | <u>(62,134)</u>  |
| <b>NET ASSETS</b>                            |       |                  | <b>4,100,386</b> |                  | <b>2,193,829</b> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |                  |                  |
| Called up share capital                      | 18    |                  | 216,756          |                  | 216,756          |
| Share premium                                | 19    |                  | 51,800           |                  | 51,800           |
| Capital redemption reserve                   | 19    |                  | 249,173          |                  | 249,173          |
| Retained earnings                            | 19    |                  | <u>3,582,657</u> |                  | <u>1,676,100</u> |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                  | <b>4,100,386</b> |                  | <b>2,193,829</b> |

The financial statements were approved by the Board of Directors and authorised for issue on 4 March 2022 and were signed on its behalf by:

Mrs D A Hands - Director

**Cash Flow Statement  
for the Year Ended 30 September 2021**

|   | Notes | 30.9.21<br>£            | 30.9.20<br>£            |
|---|-------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>           |       |                         |                         |
| Cash generated from operations                        | 23    | 4,544,454               | 1,246,778               |
| Interest paid   |       | (19,742)                | (22,322)                |
| Tax paid  |       | (6,521)                 | 2,629                   |
| Net cash from operating activities                    |       | <u>4,518,191</u>        | <u>1,227,085</u>        |
| <b>Cash flows from investing activities</b>           |       |                         |                         |
| Purchase of tangible fixed assets                     |       | (314,444)               | (101,758)               |
| Purchase of fixed asset investments                   |       | (1)                     | -                       |
| Sale of tangible fixed assets                         |       | 2,269                   | -                       |
| Interest received                                     |       | 635                     | 1,720                   |
| Net cash from investing activities                    |       | <u>(311,541)</u>        | <u>(100,038)</u>        |
| <b>Cash flows from financing activities</b>           |       |                         |                         |
| New loans in year                                     |       | -                       | 420,000                 |
| Loan repayments in year                               |       | (84,897)                | (27,574)                |
| Capital repayments in year                            |       | -                       | (27,520)                |
| Amount introduced by directors                        |       | 35,249                  | 62,257                  |
| Amount withdrawn by directors                         |       | -                       | (1,939)                 |
| Equity dividends paid                                 |       | (1,150,645)             | -                       |
| Net cash from financing activities                    |       | <u>(1,200,293)</u>      | <u>425,224</u>          |
| <b>Increase in cash and cash equivalents</b>          |       | <u>3,006,357</u>        | <u>1,552,271</u>        |
| <b>Cash and cash equivalents at beginning of year</b> | 24    | <u>1,693,096</u>        | <u>140,825</u>          |
| <b>Cash and cash equivalents at end of year</b>       | 24    | <u><u>4,699,453</u></u> | <u><u>1,693,096</u></u> |

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 30 September 2021**

**1. STATUTORY INFORMATION**

BMG Research Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The nature of the company's operations and principal activities are the provision of independent market research.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Preparation of consolidated financial statements**

The financial statements contain information about BMG Research Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 402/405 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as all of its subsidiaries are immaterial for the purpose of giving a true and fair view, both individually and collectively.

**Judgements and key sources of estimation uncertainty**

The key assumptions concerning key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Turnover measurement

As noted below revenue from the rendering of service contracts is measured by reference to the stage of completion at the balance sheet date. In arriving at the stage of completion, the directors assess the estimated total costs on a contract by contract basis.

This estimation is monitored each month for changes in the operation of the individual contract, its ongoing and expected future performance and any resultant changes in total costs. Subsequent to the completion of contracts, their past performance is reviewed and these results are used by the directors to monitor and improve their estimation techniques for contract costs.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

When the outcome of a transaction can be estimated reliably, turnover from the rendering of services is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to the proportion that costs incurred for work performed to date bear to the estimated total costs.

When it is probable that total contract costs will exceed total contract revenue on a service contract, the expected loss is recognised as an expense immediately, with a corresponding provision for an onerous contract.

Progress payments and advances received from customers in excess of the value of revenue recognised are not included as revenue but as a liability in the balance sheet.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2021**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                       |   |
|-----------------------|---|
| Long leasehold        | - over the unexpired portion of the lease |
| Fixtures and fittings | - 20% on cost, 10% on cost and 5% on cost |
| Computer equipment    | - 33% on cost                             |

With effect from 1 May 2015, the company revised its depreciation policy for new fixtures and fittings acquired, to amortise them over either 20 or 10 years as appropriate to the asset.

Depreciation commences on assets when they are brought into use.

**Government grants**

Grants received under the various covid-19 support measures are recognised using the performance model. A grant that does not impose specified future performance-related conditions is recognised in income when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions is recognised in income only when the performance-related conditions are met. Any grants received before the revenue recognition criteria are satisfied are recognised as a liability.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Financial instruments**

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses. Creditors which are debt instrument, such as loans and finance leases, are subsequently carried at amortised cost, using the effective interest rate method.

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

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2021

2. **ACCOUNTING POLICIES - continued**

**Tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

|                   | 30.9.21           | 30.9.20          |
|-------------------|-------------------|------------------|
|                   | £                 | £                |
| Service contracts | 16,985,199        | 7,161,223        |
|                   | <u>16,985,199</u> | <u>7,161,223</u> |

4. **EMPLOYEES AND DIRECTORS**

|                       | 30.9.21          | 30.9.20          |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 5,719,242        | 4,184,152        |
| Social security costs | 461,936          | 358,481          |
| Other pension costs   | 140,592          | 121,541          |
|                       | <u>6,321,770</u> | <u>4,664,174</u> |



**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2021**

**4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

|                               | <b>30.9.21</b>    | 30.9.20    |
|-------------------------------|-------------------|------------|
| Operations                    | <b>239</b>        | 162        |
| Research                      | <b>32</b>         | 34         |
| Management and Administration | <b>33</b>         | 36         |
|                               | <u><b>304</b></u> | <u>232</u> |

|  | <b>30.9.21</b>       | 30.9.20      |
|--|----------------------|--------------|
|  | <b>£</b>             | £            |
| Directors' remuneration                                    | <b>607,480</b>       | 321,274      |
| Directors' pension contributions to money purchase schemes | <u><b>12,777</b></u> | <u>9,204</u> |

The number of directors to whom retirement benefits were accruing was as follows:

|                        |                 |          |
|------------------------|-----------------|----------|
| Money purchase schemes | <u><b>3</b></u> | <u>4</u> |
|------------------------|-----------------|----------|

Information regarding the highest paid director is as follows:

|   | <b>30.9.21</b>      | 30.9.20    |
|---|---------------------|------------|
|   | <b>£</b>            | £          |
| Emoluments etc                                  | <b>225,833</b>      | 152,464    |
| Pension contributions to money purchase schemes | <u><b>5,917</b></u> | <u>219</u> |

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

|  | <b>30.9.21</b>          | 30.9.20          |
|--|-------------------------|------------------|
|  | <b>£</b>                | £                |
| Depreciation - owned assets  | <b>147,279</b>          | 124,370          |
| Depreciation - assets on hire purchase contracts or finance leases | <b>-</b>                | 3,164            |
| Auditors' remuneration   | <b>11,850</b>           | 9,176            |
| Government grants - covid19 furlough received                      | <u><b>(436,184)</b></u> | <u>(715,843)</u> |

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

|               | <b>30.9.21</b>       | 30.9.20       |
|---------------|----------------------|---------------|
|               | <b>£</b>             | £             |
| Finance costs | <u><b>19,742</b></u> | <u>22,322</u> |

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2021

7. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

|                                   | 30.9.21<br>£   | 30.9.20<br>£  |
|-----------------------------------|----------------|---------------|
| Current tax:                      |                |               |
| UK corporation tax                | 526,787        | 6,520         |
| Prior year under/over adjustments | -              | 5,879         |
| Total current tax                 | <u>526,787</u> | <u>12,399</u> |
| Deferred tax                      | 41,224         | (416)         |
| Tax on profit                     | <u>568,011</u> | <u>11,983</u> |

UK corporation tax has been charged at 19% (2020 - 19%).

8. **DIVIDENDS**

|                                   | 30.9.21<br>£     | 30.9.20<br>£ |
|-----------------------------------|------------------|--------------|
| Ordinary Shares shares of £1 each |                  |              |
| Interim                           | <u>1,150,645</u> | <u>-</u>     |

9. **TANGIBLE FIXED ASSETS**

|                        | Long<br>leasehold<br>£ | Fixtures<br>and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Computer<br>equipment<br>£ | Totals<br>£      |
|------------------------|------------------------|----------------------------------|------------------------|----------------------------|------------------|
| <b>COST</b>            |                        |                                  |                        |                            |                  |
| At 1 October 2020      | 1,126,332              | 305,107                          | -                      | 569,209                    | 2,000,648        |
| Additions              | -                      | -                                | 122,500                | 191,944                    | 314,444          |
| Disposals              | -                      | -                                | -                      | (9,212)                    | (9,212)          |
| At 30 September 2021   | <u>1,126,332</u>       | <u>305,107</u>                   | <u>122,500</u>         | <u>751,941</u>             | <u>2,305,880</u> |
| <b>DEPRECIATION</b>    |                        |                                  |                        |                            |                  |
| At 1 October 2020      | 62,230                 | 129,552                          | -                      | 415,506                    | 607,288          |
| Charge for year        | 11,484                 | 23,416                           | 4,084                  | 108,295                    | 147,279          |
| Eliminated on disposal | -                      | -                                | -                      | (6,943)                    | (6,943)          |
| At 30 September 2021   | <u>73,714</u>          | <u>152,968</u>                   | <u>4,084</u>           | <u>516,858</u>             | <u>747,624</u>   |
| <b>NET BOOK VALUE</b>  |                        |                                  |                        |                            |                  |
| At 30 September 2021   | <u>1,052,618</u>       | <u>152,139</u>                   | <u>118,416</u>         | <u>235,083</u>             | <u>1,558,256</u> |
| At 30 September 2020   | <u>1,064,102</u>       | <u>175,555</u>                   | <u>-</u>               | <u>153,703</u>             | <u>1,393,360</u> |

Included in the above are fixed assets pledged as security against bank loans.

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2021

10. **FIXED ASSET INVESTMENTS**

|                       | Shares in<br>group<br>undertakings<br>£ |
|-----------------------|---|
| <b>COST</b>           |   |
| At 1 October 2020     | 3                                       |
| Additions             | 1                                       |
| At 30 September 2021  | 4                                       |
| <b>NET BOOK VALUE</b> |   |
| At 30 September 2021  | 4                                       |
| At 30 September 2020  | 3                                       |

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Bostock Marketing International Limited**

Registered office: Beech House 1a Greenfield Crescent, Edgbaston, Birmingham, B15 3BE

Nature of business: Dormant

|                                | %<br>holding | 30.9.21<br>£ | 30.9.20<br>£ |
|--------------------------------|--------------|--------------|--------------|
| Class of shares:               |              |              |              |
| Ordinary shares                | 100.00       |              |              |
| Aggregate capital and reserves |              | 2            | 2            |

**Bostock Marketing Group Limited**

Registered office: Beech House 1a Greenfield Crescent, Edgbaston, Birmingham, B15 3BE

Nature of business: Dormant

|                                | %<br>holding | 30.9.21<br>£ | 30.9.20<br>£ |
|--------------------------------|--------------|--------------|--------------|
| Class of shares:               |              |              |              |
| Ordinary                       | 100.00       |              |              |
| Aggregate capital and reserves |              | 1            | 1            |

**Omnitactics Limited**

Registered office: Beech House 1a Greenfield Crescent, Edgbaston, Birmingham, B15 3BE

Nature of business: Software development

|                                | %<br>holding | 30.9.21<br>£ |
|--------------------------------|--------------|--------------|
| Class of shares:               |              |              |
| Ordinary                       | 100.00       |              |
| Aggregate capital and reserves |              | 1            |

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2021**

**11. DEBTORS**

|   | <b>30.9.21</b>          | <b>30.9.20</b>          |
|---|-------------------------|-------------------------|
|   | <b>£</b>                | <b>£</b>                |
| Amounts falling due within one year:              |                         |                         |
| Trade debtors                                     | <b>1,470,194</b>        | 915,858                 |
| Amounts owed by group undertakings                | <b>394,773</b>          | 394,782                 |
| Amounts recoverable on contracts                  | <b>1,020,540</b>        | 374,441                 |
| Other debtors                                     | <b>27,333</b>           | 62,479                  |
| Directors' current accounts                       | <b>81,080</b>           | 116,329                 |
| Tax   | <b>17,880</b>           | -                       |
| Prepayments and accrued income                    | <b>197,307</b>          | 132,653                 |
|   | <b><u>3,209,107</u></b> | <b><u>1,996,542</u></b> |
| <br>Amounts falling due after more than one year: |                         |                         |
| Tax   | <b><u>22,762</u></b>    | <u>40,641</u>           |
| <br>Aggregate amounts                             | <b><u>3,231,869</u></b> | <u>2,037,183</u>        |

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | <b>30.9.21</b>          | <b>30.9.20</b>          |
|---|-------------------------|-------------------------|
|   | <b>£</b>                | <b>£</b>                |
| Bank loans and overdrafts (see note 14) | <b>158,606</b>          | 67,894                  |
| Payments on account                     | <b>714,400</b>          | 545,207                 |
| Trade creditors                         | <b>1,535,841</b>        | 380,541                 |
| Tax                                     | <b>526,787</b>          | 6,520                   |
| Social security and other taxes         | <b>1,010,289</b>        | 569,214                 |
| Other creditors                         | <b>339,972</b>          | 157,213                 |
| Accruals and deferred income            | <b>260,559</b>          | 105,478                 |
|   | <b><u>4,546,454</u></b> | <b><u>1,832,067</u></b> |

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                    | <b>30.9.21</b>        | <b>30.9.20</b>          |
|------------------------------------|-----------------------|-------------------------|
|                                    | <b>£</b>              | <b>£</b>                |
| Bank loans (see note 14)           | <b>739,382</b>        | 914,991                 |
| Amounts owed to group undertakings | <b>2</b>              | 2                       |
| Social security and other taxes    | <b>-</b>              | 120,619                 |
|                                    | <b><u>739,384</u></b> | <b><u>1,035,612</u></b> |

**14. LOANS**

An analysis of the maturity of loans is given below:

|   | <b>30.9.21</b>        | <b>30.9.20</b> |
|---|-----------------------|----------------|
|   | <b>£</b>              | <b>£</b>       |
| Amounts falling due within one year or on demand: |                       |                |
| Bank loans  | <b><u>158,606</u></b> | <u>67,894</u>  |

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2021

14. **LOANS - continued**

|  | 30.9.21<br>£   | 30.9.20<br>£   |
|--|----------------|----------------|
| Amounts falling due between two and five years:<br>Bank loans falling due in two to five years   | <u>518,211</u> | <u>599,075</u> |
| Amounts falling due in more than five years:<br><br>Repayable by instalments<br>Bank loans falling due after five years - payable in instalments | <u>221,171</u> | <u>315,916</u> |

Bank loans, which include both a fixed rate and a variable rate loan, are repayable over fifteen years in monthly instalments and interest is payable at a fixed rate of 4.29% and a variable rate of 2.8% above base rate.

15. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

|                            | 30.9.21<br>£  | 30.9.20<br>£  |
|----------------------------|---------------|---------------|
| Within one year            | 28,397        | 25,058        |
| Between one and five years | <u>32,055</u> | <u>763</u>    |
|                            | <u>60,452</u> | <u>25,821</u> |

Operating leases primarily relate to company vehicles.

16. **SECURED DEBTS**

The following secured debts are included within creditors:

|            | 30.9.21<br>£   | 30.9.20<br>£   |
|------------|----------------|----------------|
| Bank loans | <u>897,988</u> | <u>982,885</u> |

The company issued an all monies debenture dated 22nd September 1994, in favour of the Bank of Scotland, over all of the assets of the company.

The company issued a charge over its premises at 1 a & 1 b Greenfield Crescent, Edgbaston, Birmingham, in favour of the Bank of Scotland.

17. **PROVISIONS FOR LIABILITIES**

|              | 30.9.21<br>£   | 30.9.20<br>£  |
|--------------|----------------|---------------|
| Deferred tax | <u>103,358</u> | <u>62,134</u> |

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2021**

**17. PROVISIONS FOR LIABILITIES - continued**

|                                | <b>Deferred<br/>tax<br/>£</b> |
|--------------------------------|-------------------------------|
| Balance at 1 October 2020      | <b>62,134</b>                 |
| Accelerated capital allowances | <b>21,603</b>                 |
| Changes in rate of taxation    | <b>19,621</b>                 |
| Balance at 30 September 2021   | <b><u>103,358</u></b>         |

At the date of approval of these accounts Finance Bill 2021-22 has been substantively enacted, increasing the main rate of Corporation Tax to 25 with effect from 1 April 2023. As the majority of the accelerated capital allowances are expected to unwind after this date, provision has been made at the higher rate.

**18. CALLED UP SHARE CAPITAL**

| Allotted and issued:<br>Number: | Class:          | Nominal<br>value:<br>£1 | <b>30.9.21<br/>£</b>  | 30.9.20<br>£   |
|---------------------------------|-----------------|-------------------------|-----------------------|----------------|
| 216,756                         | Ordinary shares |                         | <b><u>216,756</u></b> | <u>216,756</u> |

**19. RESERVES**

|                      | <b>Retained<br/>earnings<br/>£</b> | <b>Share<br/>premium<br/>£</b> | <b>Capital<br/>redemption<br/>reserve<br/>£</b> | <b>Totals<br/>£</b>     |
|----------------------|------------------------------------|--------------------------------|---|-------------------------|
| At 1 October 2020    | <b>1,676,100</b>                   | <b>51,800</b>                  | <b>249,173</b>                                  | <b>1,977,073</b>        |
| Profit for the year  | <b>3,057,202</b>                   | -                              | -   | <b>3,057,202</b>        |
| Dividends            | <b>(1,150,645)</b>                 | -                              | -   | <b>(1,150,645)</b>      |
| At 30 September 2021 | <b><u>3,582,657</u></b>            | <b><u>51,800</u></b>           | <b><u>249,173</u></b>                           | <b><u>3,883,630</u></b> |

**20. PENSION COMMITMENTS**

The company operates three defined contribution pension schemes for all employees. The charge for the year was £105,475 (2018 - £92,859).

**21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 30 September 2021 and 30 September 2020:

|                                      | <b>30.9.21<br/>£</b> | 30.9.20<br>£   |
|--------------------------------------|----------------------|----------------|
| <b>Mrs D A Hands</b>                 |                      |                |
| Balance outstanding at start of year | <b>111,080</b>       | 108,777        |
| Amounts advanced                     | -                    | 2,303          |
| Amounts repaid                       | <b>(30,000)</b>      | -              |
| Amounts written off                  | -                    | -              |
| Amounts waived                       | -                    | -              |
| Balance outstanding at end of year   | <b><u>81,080</u></b> | <u>111,080</u> |

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2021

21. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

**S Maydew**

|                                      |   |         |
|--------------------------------------|---|---------|
| Balance outstanding at start of year | - | 9,977   |
| Amounts repaid                       | - | (9,977) |
| Amounts written off                  | - | -       |
| Amounts waived                       | - | -       |
| Balance outstanding at end of year   | - | -       |

**Mrs J Hands**

|                                      |   |          |
|--------------------------------------|---|----------|
| Balance outstanding at start of year | - | 52,696   |
| Amounts repaid                       | - | (52,696) |
| Amounts written off                  | - | -        |
| Amounts waived                       | - | -        |
| Balance outstanding at end of year   | - | -        |

**Z Sajan**

|                                      |         |       |
|--------------------------------------|---------|-------|
| Balance outstanding at start of year | 5,249   | 5,197 |
| Amounts advanced                     | -       | 52    |
| Amounts repaid                       | (5,249) | -     |
| Amounts written off                  | -       | -     |
| Amounts waived                       | -       | -     |
| Balance outstanding at end of year   | -       | 5,249 |

No interest is paid on the above loans and all loans are repayable in full on demand.

22. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, a total of key management personnel compensation of £ 910,982 was paid.

HWM Holdings Limited is regarded by the directors as being the company's ultimate parent company.

The controlling party is Mrs D A Hands.

23. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

|  | 30.9.21          | 30.9.20          |
|--|------------------|------------------|
|  | £                | £                |
| Profit before taxation                         | 3,625,213        | 88,464           |
| Depreciation charges                           | 147,279          | 127,534          |
| Finance costs                                  | 19,742           | 22,322           |
| Finance income                                 | (635)            | (1,720)          |
|  | 3,791,599        | 236,600          |
| (Increase)/decrease in trade and other debtors | (1,229,944)      | 873,854          |
| Increase in trade and other creditors          | 1,982,799        | 136,324          |
| <b>Cash generated from operations</b>          | <b>4,544,454</b> | <b>1,246,778</b> |

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2021

24. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 September 2021**

|                           | 30.9.21<br>£     | 1.10.20<br>£     |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | <u>4,699,453</u> | <u>1,693,096</u> |

**Year ended 30 September 2020**

|                           | 30.9.20<br>£     | 1.10.19<br>£   |
|---------------------------|------------------|----------------|
| Cash and cash equivalents | <u>1,693,096</u> | <u>140,825</u> |

25. **ANALYSIS OF CHANGES IN NET FUNDS**

|                                 | At 1.10.20<br>£  | Cash flow<br>£   | At 30.9.21<br>£  |
|---------------------------------|------------------|------------------|------------------|
| <b>Net cash</b>                 |                  |                  |                  |
| Cash at bank and in hand        | <u>1,693,096</u> | <u>3,006,357</u> | <u>4,699,453</u> |
|                                 | <u>1,693,096</u> | <u>3,006,357</u> | <u>4,699,453</u> |
| <b>Debt</b>                     |                  |                  |                  |
| Debts falling due within 1 year | (67,894)         | (90,712)         | (158,606)        |
| Debts falling due after 1 year  | <u>(914,991)</u> | <u>175,609</u>   | <u>(739,382)</u> |
|                                 | <u>(982,885)</u> | <u>84,897</u>    | <u>(897,988)</u> |
| <b>Total</b>                    | <u>710,211</u>   | <u>3,091,254</u> | <u>3,801,465</u> |



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