

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 30 September 2022
for
BMG Research Ltd**

**Contents of the Financial Statements
for the Year Ended 30 September 2022**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Statement of Income and Retained Earnings	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13

BMG Research Ltd
Company Information
for the Year Ended 30 September 2022

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

**Strategic Report
for the Year Ended 30 September 2022**

The directors present their strategic report for BMG Research Ltd (the "Company") for the year ended 30 September 2022.

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.

The Company has continued to invest in its Senior Management Team comprising of individuals with significant industry experience and knowledge and has continued operating from its offices in Birmingham and London, as well as an increasing amount of remote working. Having offices in both Birmingham and London enables 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 a reduction in turnover from that achieved in the prior period to £10,247k (2021 £16,985k) and net profit decreasing to £511k (2021 £3,625k). The reduction is due to a major Business Process Outsourcing contract ceasing during the year. Following the cessation of this contract the directors made the decision to withdraw from this market, focusing their attention to the delivery of high quality market and social research services. The company has continued to benefit from the experience of the Senior Management Team; more efficient resourcing due to greater home working; better use of technology; and a reduction in ancillary and senior staff overheads.

Coming out of the Covid 19 pandemic, the company has been in a position of strength, winning significant research programmes from departments including Defra, Ofcom and HMRC. The Company has also future-proofed the business by migrating a number of client research programmes from either CATI (telephone) or CAPI (face-to-face) to online and digital methods. Post Covid restrictions being lifted the company has returned to programmes which were on hold as well as continuing with new programmes and methods as outlined above.

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 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has considered the principal risks and uncertainties affecting the business as at 30 September 2022 and up to the date of this report. These are described below:

Health & safety

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

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 2023 is 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 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 including current inflationary pressures. Economic uncertainty can lead to a greater need for information to aid decision making, 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

3 January 2023

**Report of the Directors
for the Year Ended 30 September 2022**

The directors present their report with the financial statements of the company for the year ended 30 September 2022.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2022.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 October 2021 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

P Burgess - resigned 30.9.22

The directors shown below were in office at 30 September 2022 but did not hold any interest in the Ordinary Shares shares of £1 each at 1 October 2021 or 30 September 2022.

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.

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.

**Report of the Directors
for the Year Ended 30 September 2022**

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

3 January 2023

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 2022 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, 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 2022 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 page four, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

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 our 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, FRS102, the Companies Act 2006 and UK direct and indirect tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of third parties where appropriate.

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 in areas of estimation or judgement, that represented a risk of material misstatement due to fraud.

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.

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

3 January 2023

**Statement of Income and
Retained Earnings
for the Year Ended 30 September 2022**

	Notes	30.9.22 £	30.9.21 £
TURNOVER	3	10,247,339	16,985,199
Cost of sales		<u>5,312,934</u>	<u>9,612,117</u>
GROSS PROFIT		4,934,405	7,373,082
Administrative expenses		<u>4,391,543</u>	<u>4,164,946</u>
		542,862	3,208,136
Other operating income		<u>-</u>	<u>436,184</u>
OPERATING PROFIT	5	542,862	3,644,320
Interest receivable and similar income		<u>463</u>	<u>635</u>
		543,325	3,644,955
Interest payable and similar expenses	6	<u>31,848</u>	<u>19,742</u>
PROFIT BEFORE TAXATION		511,477	3,625,213
Tax on profit	7	<u>4,374</u>	<u>568,011</u>
PROFIT FOR THE FINANCIAL YEAR		507,103	3,057,202
Retained earnings at beginning of year		3,582,657	1,676,100
Dividends	8	<u>-</u>	<u>(1,150,645)</u>
RETAINED EARNINGS AT END OF YEAR		4,089,760	3,582,657

The notes form part of these financial statements

Balance Sheet
30 September 2022

	Notes	30.9.22 £	£	30.9.21 £	£
FIXED ASSETS					
Tangible assets	9		1,442,457		1,558,256
Investments	10		<u>4</u>		<u>4</u>
			1,442,461		1,558,260
CURRENT ASSETS					
Debtors	11	3,606,070		3,231,869	
Cash at bank and in hand		<u>1,598,351</u>		<u>4,699,453</u>	
		5,204,421		7,931,322	
CREDITORS					
Amounts falling due within one year	12	<u>1,545,474</u>		<u>4,546,454</u>	
NET CURRENT ASSETS			<u>3,658,947</u>		<u>3,384,868</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,101,408		4,943,128
CREDITORS					
Amounts falling due after more than one year	13		(409,812)		(739,384)
PROVISIONS FOR LIABILITIES	17		<u>(84,107)</u>		<u>(103,358)</u>
NET ASSETS			<u>4,607,489</u>		<u>4,100,386</u>
CAPITAL AND RESERVES					
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>4,089,760</u>		<u>3,582,657</u>
SHAREHOLDERS' FUNDS			<u>4,607,489</u>		<u>4,100,386</u>

The financial statements were approved by the Board of Directors and authorised for issue on 3 January 2023 and were signed on its behalf by:

Mrs D A Hands - Director

**Cash Flow Statement
for the Year Ended 30 September 2022**

	Notes	30.9.22 £	30.9.21 £
Cash flows from operating activities			
Cash generated from operations	1	(2,152,122)	4,544,454
Interest paid		(31,848)	(19,742)
Tax paid		(511,402)	(6,521)
Net cash from operating activities		<u>(2,695,372)</u>	<u>4,518,191</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(62,148)	(314,444)
Purchase of fixed asset investments		-	(1)
Sale of tangible fixed assets		3,083	2,269
Interest received		463	635
Net cash from investing activities		<u>(58,602)</u>	<u>(311,541)</u>
Cash flows from financing activities			
Loan repayments in year		(428,208)	(84,897)
Amount introduced by directors		81,080	35,249
Equity dividends paid		-	(1,150,645)
Net cash from financing activities		<u>(347,128)</u>	<u>(1,200,293)</u>
(Decrease)/increase in cash and cash equivalents		<u>(3,101,102)</u>	<u>3,006,357</u>
Cash and cash equivalents at beginning of year	2	4,699,453	1,693,096
Cash and cash equivalents at end of year	2	<u>1,598,351</u>	<u>4,699,453</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.9.22	30.9.21
	£	£
Profit before taxation	511,477	3,625,213
Depreciation charges	176,023	147,279
Profit on disposal of fixed assets	(1,159)	-
Finance costs	31,848	19,742
Finance income	(463)	(635)
	<u>717,726</u>	<u>3,791,599</u>
Increase in trade and other debtors	(455,282)	(1,229,944)
(Decrease)/increase in trade and other creditors	<u>(2,414,566)</u>	<u>1,982,799</u>
Cash generated from operations	<u>(2,152,122)</u>	<u>4,544,454</u>

2. 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 2022

	30.9.22	1.10.21
	£	£
Cash and cash equivalents	<u>1,598,351</u>	<u>4,699,453</u>

Year ended 30 September 2021

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

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.21	Cash flow	At 30.9.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>4,699,453</u>	<u>(3,101,102)</u>	<u>1,598,351</u>
	<u>4,699,453</u>	<u>(3,101,102)</u>	<u>1,598,351</u>
Debt			
Debts falling due within 1 year	(158,606)	98,634	(59,972)
Debts falling due after 1 year	<u>(739,382)</u>	<u>329,572</u>	<u>(409,810)</u>
	<u>(897,988)</u>	<u>428,206</u>	<u>(469,782)</u>
Total	<u>3,801,465</u>	<u>(2,672,896)</u>	<u>1,128,569</u>

**Notes to the Financial Statements
for the Year Ended 30 September 2022**

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 2022**

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.

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.

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.

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

2. ACCOUNTING POLICIES - continued

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.

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:

	30.9.22	30.9.21
	£	£
Service contracts	10,247,339	16,985,199
	<u>10,247,339</u>	<u>16,985,199</u>

4. EMPLOYEES AND DIRECTORS

	30.9.22	30.9.21
	£	£
Wages and salaries	4,404,686	5,719,242
Social security costs	424,440	461,936
Other pension costs	146,869	140,592
	<u>4,975,995</u>	<u>6,321,770</u>

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

	30.9.22	30.9.21
Operations	162	239
Research	40	32
Management and Administration	12	33
	<u>214</u>	<u>304</u>

	30.9.22	30.9.21
	£	£
Directors' remuneration	504,786	607,480
Directors' pension contributions to money purchase schemes	13,069	12,777
	<u>517,855</u>	<u>620,257</u>

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

	2	3
Money purchase schemes	<u>2</u>	<u>3</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

4. **EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	30.9.22	30.9.21
	£	£
Emoluments etc	170,872	225,833
Pension contributions to money purchase schemes	-	5,917

5. **OPERATING PROFIT**

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

	30.9.22	30.9.21
	£	£
Depreciation - owned assets	176,023	147,279
Profit on disposal of fixed assets	(1,159)	-
Auditors' remuneration	9,075	11,850
Government grants - covid19 furlough received	-	(436,184)

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.9.22	30.9.21
	£	£
Finance costs	31,296	19,742
Interest on late payments of tax	552	-
	<u>31,848</u>	<u>19,742</u>

7. **TAXATION**

Analysis of the tax charge

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

	30.9.22	30.9.21
	£	£
Current tax:		
UK corporation tax	39,008	526,787
Prior year under/over adjustments	(15,384)	-
Total current tax	<u>23,624</u>	<u>526,787</u>
Deferred tax	(19,250)	41,224
Tax on profit	<u>4,374</u>	<u>568,011</u>

UK corporation tax has been charged at 19% (2021 - 19%).

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.9.22 £	30.9.21 £
Profit before tax	<u>511,477</u>	<u>3,625,213</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	97,181	688,790
Effects of:		
Expenses not deductible for tax purposes	3,050	1,858
Capital allowances in excess of depreciation	(6,867)	-
Depreciation in excess of capital allowances	-	26,248
Utilisation of tax losses	-	(60,471)
Adjustments to tax charge in respect of previous periods	(15,384)	-
Claim under R&D Enhanced expenditure	<u>(73,606)</u>	<u>(88,414)</u>
Total tax charge	<u>4,374</u>	<u>568,011</u>

8. DIVIDENDS

	30.9.22 £	30.9.21 £
Ordinary Shares shares of £1 each		
Interim	<u>-</u>	<u>1,150,645</u>

9. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 October 2021	1,126,332	305,107	122,500	751,941	2,305,880
Additions	-	-	-	62,148	62,148
Disposals	-	-	-	(11,545)	(11,545)
At 30 September 2022	<u>1,126,332</u>	<u>305,107</u>	<u>122,500</u>	<u>802,544</u>	<u>2,356,483</u>
DEPRECIATION					
At 1 October 2021	73,714	152,968	4,084	516,858	747,624
Charge for year	11,484	23,416	24,504	116,619	176,023
Eliminated on disposal	-	-	-	(9,621)	(9,621)
At 30 September 2022	<u>85,198</u>	<u>176,384</u>	<u>28,588</u>	<u>623,856</u>	<u>914,026</u>
NET BOOK VALUE					
At 30 September 2022	<u>1,041,134</u>	<u>128,723</u>	<u>93,912</u>	<u>178,688</u>	<u>1,442,457</u>
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>

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 2022

10. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 October 2021	
and 30 September 2022	<u>4</u>
NET BOOK VALUE	
At 30 September 2022	<u>4</u>
At 30 September 2021	<u>4</u>

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

	% holding	30.9.22 £	30.9.21 £
Class of shares:			
Ordinary shares	100.00		
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Bostock Marketing Group Limited

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

Nature of business: Dormant

	% holding	30.9.22 £	30.9.21 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>1</u>	<u>1</u>

Omnitactics Limited

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

Nature of business: Software development

	% holding	30.9.22 £	30.9.21 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>1</u>	<u>1</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

11. DEBTORS

	30.9.22	30.9.21
	£	£
Amounts falling due within one year:		
Trade debtors	1,632,223	1,470,194
Amounts owed by group undertakings	394,773	394,773
Amounts recoverable on contracts	1,302,776	1,020,540
Other debtors	1,829	27,333
Directors' current accounts	-	81,080
Tax	40,641	17,880
Prepayments and accrued income	233,828	197,307
	<u>3,606,070</u>	<u>3,209,107</u>
 Amounts falling due after more than one year:		
Tax	<u>-</u>	<u>22,762</u>
 Aggregate amounts	<u>3,606,070</u>	<u>3,231,869</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.22	30.9.21
	£	£
Bank loans and overdrafts (see note 14)	59,972	158,606
Payments on account	249,327	714,400
Trade creditors	603,360	1,535,841
Tax	39,008	526,787
Social security and other taxes	342,060	1,010,289
Other creditors	103,011	339,972
Accruals and deferred income	148,736	260,559
	<u>1,545,474</u>	<u>4,546,454</u>

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

	30.9.22	30.9.21
	£	£
Bank loans (see note 14)	409,810	739,382
Amounts owed to group undertakings	2	2
	<u>409,812</u>	<u>739,384</u>

14. LOANS

An analysis of the maturity of loans is given below:

	30.9.22	30.9.21
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>59,972</u>	<u>158,606</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

14. **LOANS - continued**

	30.9.22 £	30.9.21 £
Amounts falling due between two and five years:		
Bank loans falling due in two to five years	<u>239,889</u>	<u>518,211</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans falling due after five years - payable in instalments	<u>169,921</u>	<u>221,171</u>

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

15. **LEASING AGREEMENTS**

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

	30.9.22 £	30.9.21 £
Within one year	38,124	28,397
Between one and five years	<u>23,403</u>	<u>32,055</u>
	<u>61,527</u>	<u>60,452</u>

Operating leases primarily relate to company vehicles.

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	30.9.22 £	30.9.21 £
Bank loans	<u>469,782</u>	<u>897,988</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**

	30.9.22 £	30.9.21 £
Deferred tax	<u>84,107</u>	<u>103,358</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 October 2021	103,358
Accelerated capital allowances	(19,251)
Balance at 30 September 2022	<u>84,107</u>

At the date of approval of these accounts Finance Bill 2021-22 has received Royal Assent, 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

Number:	Class:	Nominal value: £1	30.9.22 £	30.9.21 £
216,756	Ordinary shares		<u>216,756</u>	<u>216,756</u>

19. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 October 2021	3,582,657	51,800	249,173	3,883,630
Profit for the year	507,103	-	-	507,103
At 30 September 2022	<u>4,089,760</u>	<u>51,800</u>	<u>249,173</u>	<u>4,390,733</u>

20. PENSION COMMITMENTS

The company operates three defined contribution pension schemes for all employees. The charge for the year was £146,869 (2021 - £140,592).

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 September 2022 and 30 September 2021:

	30.9.22 £	30.9.21 £
Mrs D A Hands		
Balance outstanding at start of year	81,080	111,080
Amounts repaid	(81,080)	(30,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>81,080</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

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

Z Sajan

Balance outstanding at start of year	-	5,249
Amounts repaid	-	(5,249)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>

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 £ 504,786 (2021 - £ 607,480) 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.

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.