

Registration number: 02841970

BMG Research Ltd

Annual Report and Financial Statements

for the Period from 1 October 2022 to 31 March 2023

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BMG Research Ltd

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BMG Research Ltd

Company Information

Directors	A S Draper
	D A Hands
	T J W Rowe
	A A Ryder
	R Sant
	S Wood
	G D Young
Company secretary	S Evans
Registered office	Spring Lodge 172 Chester Road Helsby Cheshire WA6 0AR
Auditors	Locke Williams Associates LLP Chartered Accountants c/o Blackthorn House St Pauls Square Birmingham West Midlands B3 1RL

BMG Research Ltd

Strategic Report for the Period from 1 October 2022 to 31 March 2023

The directors present their strategic report for BMG Research Limited (the “Company”) for the period ended 31 March 2023.

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.

On 24 January 2023 the company was acquired by RSK Environmental Limited. There were also a number of changes to the director group as at this date. The Directors are confident that the acquisition by RSK will lead to significant future opportunities.

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 turnover achieved of £3,845k (2022 full year £10,247k) and a net loss of £1,180k (2022 full year: profit £511k). Major components of the loss were: severance pay in respect to employees who had previously been engaged in Business Process Outsourcing Services; one particular contract which attracted a low gross margin; and cost of living and inflationary pressures. The directors recognised the needs of employees and, as such, awarded pay rises and cost of living payments even though, due to the long term nature of many of its contracts it was unable to pass these costs onto customers. The directors undertook a detailed review of activities, resulting in increased focus on providing higher margin market and social research services and moving away from Business Process Outsourcing Services. They also reviewed overheads costs to identify savings and efficiencies, which included selling the Head office, thereby reducing property costs.

The Company continues to win 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.

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

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.

BMG Research Ltd

Strategic Report for the Period from 1 October 2022 to 31 March 2023

Principal risks and uncertainties

The Company has considered the principal risks and uncertainties affecting the business as at 31 March 2023 and up to the date of this report. These are described below:

Health & safety

The safety of the workforce and the resilience of the business are of paramount importance, resulting in a significant move to remote working during the Covid 19 pandemic. 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.

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. This is, particularly relevant during a time of high inflation which has been addressed by awarding appropriate pay rises and making cost of living payments. The Company has 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. Following the acquisition of the Company by RSK the employees have been given access to a wider support, training and opportunities.

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 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.

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

Approved by the Board on ..04/12/2023.... and signed on its behalf by:



.....
A A Ryder
Director

BMG Research Ltd

Directors' Report for the Period from 1 October 2022 to 31 March 2023

The directors present their report and the financial statements for the period from 1 October 2022 to 31 March 2023.

Directors of the company

The directors who held office during the period were as follows:

A S Draper (appointed 25 January 2023)

D A Hands

J Hendley (resigned 25 January 2023)

T J W Rowe (appointed 25 January 2023)

A A Ryder (appointed 25 January 2023)

R Sant

S Wood (appointed 25 January 2023)

G D Young (appointed 25 January 2023)

Z Sajan (resigned 25 January 2023)

Dividends

The company paid a dividend of £394,774 in the period (2022: £nil).

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 04/12/2023 and signed on its behalf by:



.....
A A Ryder
Director

BMG Research Ltd

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BMG Research Ltd

Independent Auditor's Report to the Members of BMG Research Ltd

Opinion

We have audited the financial statements of BMG Research Ltd (the 'company') for the period from 1 October 2022 to 31 March 2023, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, 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 31 March 2023 and of its loss for the period 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

BMG Research Ltd

Independent Auditor's Report to the Members of BMG Research Ltd

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 there is 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.

Opinion on other matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

BMG Research Ltd

Independent Auditor's Report to the Members of BMG Research Ltd

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 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 risks 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 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.

BMG Research Ltd

Independent Auditor's Report 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
David Williams (Senior Statutory Auditor)

For and on behalf of Locke Williams Associates LLP, Statutory Auditor

Chartered Accountants
c/o Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Date: 05 December 2023

BMG Research Ltd

Profit and Loss Account for the Period from 1 October 2022 to 31 March 2023

	Note	2023 £	2022 £
Turnover	3	3,845,583	10,247,339
Cost of sales		<u>(2,353,813)</u>	<u>(5,312,934)</u>
Net fee income		1,491,770	4,934,405
Administrative expenses		<u>(2,663,479)</u>	<u>(4,391,543)</u>
Operating (loss)/profit	5	<u>(1,171,709)</u>	<u>542,862</u>
Other interest receivable and similar income	6	966	463
Interest payable and similar expenses	7	<u>(9,704)</u>	<u>(31,848)</u>
		<u>(8,738)</u>	<u>(31,385)</u>
(Loss)/profit before tax		(1,180,447)	511,477
Tax on (loss)/profit	11	<u>84,107</u>	<u>(4,374)</u>
(Loss)/profit for the financial period		<u><u>(1,096,340)</u></u>	<u><u>507,103</u></u>

The above results were derived from continuing operations.


The company has no recognised gains or losses for the period other than the results above.

BMG Research Ltd

(Registration number: 02841970)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	132,928	1,442,457
Investments	13	-	4
		<u>132,928</u>	<u>1,442,461</u>
Current assets			
Debtors	14	4,501,099	3,606,070
Cash at bank and in hand		<u>254,131</u>	<u>1,598,351</u>
		4,755,230	5,204,421
Creditors: Amounts falling due within one year	16	<u>(1,771,783)</u>	<u>(1,545,476)</u>
Net current assets		<u>2,983,447</u>	<u>3,658,945</u>
Total assets less current liabilities		3,116,375	5,101,406
Creditors: Amounts falling due after more than one year	16	-	(409,810)
Deferred tax liability	18	<u>-</u>	<u>(84,107)</u>
Net assets		<u><u>3,116,375</u></u>	<u><u>4,607,489</u></u>
Capital and reserves			
Called up share capital		216,756	216,756
Share premium reserve		51,800	51,800
Capital redemption reserve		249,173	249,173
Retained earnings		<u>2,598,646</u>	<u>4,089,760</u>
Shareholders' funds		<u><u>3,116,375</u></u>	<u><u>4,607,489</u></u>

Approved and authorised by the Board on ...04/12/2023... and signed on its behalf by:


.....
A A Ryder
Director

BMG Research Ltd

Statement of Changes in Equity for the Period from 1 October 2022 to 31 March 2023

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total £
At 1 October 2021	<u>216,756</u>	<u>51,800</u>	<u>249,173</u>	<u>3,582,657</u>	<u>4,100,386</u>
Profit for the period	-	-	-	<u>507,103</u>	<u>507,103</u>
At 30 September 2022	<u>216,756</u>	<u>51,800</u>	<u>249,173</u>	<u>4,089,760</u>	<u>4,607,489</u>

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total £
At 1 October 2022	<u>216,756</u>	<u>51,800</u>	<u>249,173</u>	<u>4,089,760</u>	<u>4,607,489</u>
Loss for the period	-	-	-	<u>(1,096,340)</u>	<u>(1,096,340)</u>
Dividends paid	-	-	-	<u>(394,774)</u>	<u>(394,774)</u>
At 31 March 2023	<u>216,756</u>	<u>51,800</u>	<u>249,173</u>	<u>2,598,646</u>	<u>3,116,375</u>

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Spring Lodge
172 Chester Road
Helsby
Cheshire
WA6 0AR
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling, which is the functional currency of the company.

As permitted by the FRS 102 framework, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cashflow statement.

These accounts are consolidated into the accounts of RSK Group Ltd.

Disclosure of short period

The company's reporting period end date has changed from 30 September 2023 to 31 March 2023 to align with fellow group companies. Therefore comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

Going concern

The Directors have acknowledged the latest guidance on going concern from the Financial Reporting Council and considered various relevant matters noted here.

The company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its subsidiaries. The Group completed a refinancing with funds managed by Ares Management in July 2021 and at this time the funds comprised a £500m committed acquisition facility and a £500m incremental acquisition facility. As at 2nd April 2023, the funds comprise a £750m committed acquisition facility and a £250m uncommitted acquisition facility. A £250m upsize was completed in May 2022 and a further £250m upsize was completed in May 2023. The Group had a £40m revolving credit facility with NatWest bank, which was increased to £50m in May 2023.

The facilities will finance growth, both organic and acquisitive and associated working capital requirements.

After a thorough review, the Group's consolidated business plan, forecasts and projections show that it is expected to operate within its facilities.

The Group has established contracts and master service agreements with several customers across a wide range of sectors and markets and has a significant pipeline of committed work, tenders in progress and opportunities. The Directors believe that the Group will continue to manage its business risks successfully despite uncertain economic conditions in some business sectors and countries.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue to operate for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. Accordingly, they have continued to adopt a going concern basis in the preparation of the annual report and financial statements.

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the greatest level of uncertainty are addressed below:

(i) Amounts recoverable on contracts - £637,043 (2022:£1,302,776)

The company's revenue policies (set out in revenue recognition policy below) are fundamental to how the Group values the work it has carried out in each reporting period. Contracts are assessed on a contract by contract basis, and estimations are made regarding amounts not invoiced based on the stage of completion of the service.

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax; returns, rebates and discounts and after eliminating sales within the company.

In respect of long-term contracts for on-going services, turnover represents the value of work done in the period, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Long-term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover represents the value of work done in the period, including estimates of amounts not invoiced, and is recognised by reference to the stage of completion. Operating profit includes attributable profit on long-term completed contracts and amounts recoverable on uncompleted contracts, the latter being included within debtors due within one year.

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generate income.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax balances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Long leasehold land and buildings	Over the period of the lease
Fixtures and fittings	5% - 20% straight line
Office equipment	33% straight line
Motor vehicles	20% straight line

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Short-term debtors are measured at transaction price, less any impairment.

Creditors

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expenses when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, loans receivable from other group companies, investments in subsidiary companies and cash and cash equivalents, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at the market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, hire purchase contracts and loans payable to other group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at the market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest method.

3 Turnover

The analysis of the company's turnover for the period from continuing operations is as follows:

	2023	2022
	£	£
Rendering of services	<u>3,845,583</u>	<u>10,247,339</u>

4 Other gains and losses

The analysis of the company's other gains and losses for the period is as follows:

	2023	2022
	£	£
Gain on disposal of tangible assets	<u>136,206</u>	<u>1,159</u>

5 Operating (loss)/profit

Arrived at after charging/(crediting)

	2023	2022
	£	£
Depreciation expense	68,187	176,023
Profit on disposal of property, plant and equipment	<u>(136,206)</u>	<u>(1,159)</u>

6 Other interest receivable and similar income

	2023	2022
	£	£
Interest income on bank deposits	<u>966</u>	<u>463</u>

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and borrowings	9,704	31,296
Other interest	-	552
	<u>9,704</u>	<u>31,848</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023	2022
	£	£
Wages and salaries	2,586,879	4,404,686
Social security costs	256,030	424,440
Other short-term employee benefits	134,526	-
Pension costs, defined contribution scheme	69,529	146,869
	<u>3,046,964</u>	<u>4,975,995</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2023	2022
	No.	No.
Operations and research	164	202
Management and Administration	10	12
	<u>174</u>	<u>214</u>

9 Directors' remuneration

The directors' remuneration for the period was as follows:

	2023	2022
	£	£
Remuneration	453,248	504,786
Contributions paid to money purchase schemes	8,440	13,069
Compensation for loss of office	93,950	-
	<u>555,638</u>	<u>517,855</u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	2023	2022
	No.	No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>2</u>

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

In respect of the highest paid director:

	2023 £	2022 £
Remuneration	<u>170,652</u>	<u>170,872</u>

10 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>9,500</u>	<u>9,075</u>

11 Taxation

Tax charged/(credited) in the profit and loss account

	2023 £	2022 £
Current taxation		
UK corporation tax	-	4,374
Deferred taxation		
Arising from changes in tax rates and laws	<u>(84,107)</u>	<u>-</u>
Tax (receipt)/expense in the income statement	<u>(84,107)</u>	<u>4,374</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
(Loss)/profit before tax	<u>(1,180,447)</u>	<u>511,477</u>
Corporation tax at standard rate	(224,285)	97,181

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**Notes to the Financial Statements for the Period from 1 October 2022 to 31
March 2023**

	2023 £	2022 £
Effect of expense not deductible in determining taxable profit (tax loss)	(23,208)	3,050
Increase from tax losses for which no deferred tax asset was recognised	181,925	-
Decrease in UK and foreign current tax from adjustment for prior periods	(71,989)	(15,384)
Tax decrease from effect of capital allowances and depreciation	-	(6,867)
Tax decrease from effect of adjustment in research and development tax credit	-	(73,606)
Tax decrease from effect of super deduction	(423)	-
Tax increase from the sale of land	14,865	-
Tax increase from effect of losses carried back	39,008	-
Total tax (credit)/charge	<u>(84,107)</u>	<u>4,374</u>

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

12 Tangible assets

	Long leasehold land and buildings £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 October 2022	1,126,332	305,107	802,544	122,500	2,356,483
Additions	-	-	7,818	-	7,818
Disposals	<u>(1,126,332)</u>	<u>(305,107)</u>	<u>(473,265)</u>	<u>(122,500)</u>	<u>(2,027,204)</u>
At 31 March 2023	<u>-</u>	<u>-</u>	<u>337,097</u>	<u>-</u>	<u>337,097</u>
Depreciation					
At 1 October 2022	85,198	176,384	623,856	28,588	914,026
Charge for the period	2,871	5,853	53,337	6,126	68,187
Eliminated on disposal	<u>(88,069)</u>	<u>(182,237)</u>	<u>(473,024)</u>	<u>(34,714)</u>	<u>(778,044)</u>
At 31 March 2023	<u>-</u>	<u>-</u>	<u>204,169</u>	<u>-</u>	<u>204,169</u>
Carrying amount					
At 31 March 2023	<u>-</u>	<u>-</u>	<u>132,928</u>	<u>-</u>	<u>132,928</u>
At 30 September 2022	<u>1,041,134</u>	<u>128,723</u>	<u>178,688</u>	<u>93,912</u>	<u>1,442,457</u>

13 Investments

	2023 £	2022 £
Investments in subsidiaries	<u>-</u>	<u>4</u>
Subsidiaries		£
Cost or valuation		
At 1 October 2022		4
Disposals		<u>(4)</u>
At 31 March 2023		<u>-</u>
Carrying amount		
At 31 March 2023		<u>-</u>
At 30 September 2022		<u>4</u>

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

14 Debtors

	2023	2022
	£	£
Trade debtors	1,572,034	1,632,223
Amounts owed by related parties	2,050,000	394,773
Other debtors	8,463	1,829
Prepayments	192,919	233,828
Accrued income	637,043	1,302,776
Corporation tax receivable	<u>40,640</u>	<u>40,641</u>
	<u>4,501,099</u>	<u>3,606,070</u>

15 Cash and cash equivalents

	2023	2022
	£	£
Cash at bank	<u>254,131</u>	<u>1,598,351</u>

16 Creditors

	2023	2022
	£	£
Due within one year		
Bank borrowings	-	59,972
Trade creditors	408,424	603,360
Amounts due to related parties	-	2
Social security and other taxes	656,337	342,060
Other creditors	133,219	103,011
Accruals	230,130	148,736
Tax	39,008	39,008
Payments on account	<u>304,665</u>	<u>249,327</u>
	<u>1,771,783</u>	<u>1,545,476</u>
Due after one year		
Bank borrowings	<u>-</u>	<u>409,810</u>

17 Loans and borrowings

	2023	2022
	£	£
Non-current loans and borrowings		
Bank borrowings	<u>-</u>	<u>409,810</u>

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

	2023	2022
	£	£
Current loans and borrowings		
Bank borrowings	-	59,972

Included in the loans and borrowings are the following amounts due after more than five years:

	2023	2022
	£	£
After more than five years by instalments	-	169,921

Prior year bank loans were variable rate loans repayable over fifteen years in monthly instalments and interest payable at a variable rate of 2.8% above base rate.

18 Provisions for liabilities

	Deferred tax	Total
	£	£
At 1 October 2022	84,107	84,107
Increase (decrease) in existing provisions	(84,107)	(84,107)
At 31 March 2023	-	-

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £69,529 (2022 - £146,869).

Contributions totalling £13,519 (2022 - £Nil) were payable to the scheme at the end of the period and are included in other creditors in note 16.

20 Share capital

Allotted, called up and fully paid shares.

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	216,756	216,756	216,756	216,756

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

21 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	31,519	38,124
Later than one year and not later than five years	<u>10,417</u>	<u>23,403</u>
	<u>41,936</u>	<u>61,527</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £91,248 (2022 - £28,397).

22 Dividends

Final dividends paid

	2023 £	2022 £
Final dividend of £1.82 (2022 - £Nil) per each Ordinary share	<u>394,774</u>	<u>-</u>

23 Contingent liabilities

The company is party to cross guarantee arrangements relating to a borrowing facility provided by Ares Management to RSK Group Limited. The amount borrowed under this agreement at 2 April 2023 is £765,384,000 (2022: £467,799,000).

The company is also a guarantor of any trading and other obligations of any RSK Group member that may be a Junior Creditor in the related Subordination Deed.

24 Directors' Advances, Credits and Guarantees

The following advances and credits to directors subsisted during the years ended 31 March 2023 and 30 September 2022:

	31 March 2023 £	30 September 2022 £
Mrs D A Hands		
Balance outstanding at start of year	-	81,080
Amounts repaid	-	(81,080)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>

BMG Research Ltd

Notes to the Financial Statements for the Period from 1 October 2022 to 31 March 2023

25 Parent and ultimate parent undertaking

The company's immediate parent is BMG Research Holdings Limited, incorporated in England and Wales.

The ultimate parent is RSK Group Limited, incorporated in England and Wales.

These financial statements are available upon request from Companies House, Crown Way, Cardiff, CF14 3UZ.