

Inner Circle Consulting Limited

Annual Report and Unaudited Financial Statements

For the year ended 31 March 2023

Company Registration No. 06799707 (England and Wales)

Inner Circle Consulting Limited

Company Information

Directors	J P Ounan C J Twigg A Starkie
Company number	06799707
Registered office	Unit 3 9 Bell Yard Mews, London United Kingdom SE1 3UY
Accountants	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
Business address	Unit 3 9 Bell Yard Mews, London United Kingdom SE1 3UY

Inner Circle Consulting Limited

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Inner Circle Consulting Limited

Directors' Report

For the year ended 31 March 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The company's principal activity continued to be that of offering a range of services to public organization and their partners in the sectors of corporate transformation, regeneration, construction, education, social care, and health.

Review of the business

The results for the year are set out on page 4.

We are a 21st-century consultancy for 21st-century challenges, aiming to deliver strong public services and thriving places so everyone can live a good life. The big missions of local government and its partners are our purpose. We work tirelessly to support public sector leaders to unlock a better future, so the future is better for all. We do this by working together to deliver prosperous places for good lives, moving the public sector from crisis to prevention, and raising the bar for transformation in public services. The key principles on which our work is founded are trust, diversity representation, delivery and change capacity, organisational and place leadership, providing better information and insights, and delivering places that are regenerative by design.

We focus on and prioritize social value and delivering results; this provides a solid foundation for enhancing our impact as we expand our business. We strive to be the team that translates political ambitions into practical programs for positive change across the United Kingdom and worldwide.

In 2023, we experienced exponential growth with revenues up by 39% from the previous year. We also invested in our growth by expanding our leadership team, each appointee with experience in diverse areas to support our missions. In total, we grew our staff by 31 new team members. Equally, we extended our market reach by working on over 60 projects for 39 different clients.

We continue cementing our reputation as the go-to Trusted Advisor in the sector by being active members of several established work-commissioning frameworks, where we know we are highly commended and sought after. During this year our work won several awards including the MCA Team Consultant Leader of the Year, New London Awards Mayor's Prize and Community Prize, and were finalists for the Planning Awards Planning Permission of the Year, Fostering Healthy High Streets Award, Best Economic Growth, Best Community Led Development and Planning Consultant of the Year award.

Our talent strategy focuses on finding the best, most capable, and diverse people, hiring exceptionally capable individuals, providing contemporary learning and development opportunities for all our staff, and creating outstanding positive internal experiences to fulfil our team members' personal and professional aspirations.

At year-end, our female staff made up 51% of our population, with a senior executive woman joining the leadership group and our internal board. We are proud to be over 50% women diverse for a second year. We celebrated 12 promotions and delivered over 200 training hours for our team.

Inner Circle Consulting Limited

Directors' Report (Continued)

For the year ended 31 March 2023

As part of our growth strategy, we have worked diligently in several strategic activities including:

1. Evolving our operating model to ensure we are positioning every team member correctly, and the company, for sustainable growth.
2. Deliberately evolving our strategic communications and marketing approach to better reach the clients that need our support the most.
3. Commissioned a Chief Operating Officer to lead our enabling operations and support our further expected growth.

As an accredited ISO14001 organisation and member of the United Nations Framework Convention on Climate Change (UNFCCC) Race to Zero, we took strong strides to understand our carbon emissions by creating a carbon emissions calculator and have begun working on a steadfast program to achieve carbon neutrality by 2030.

Our priorities for the coming year are to continue working with our clients to deliver best-in-class service, further strengthen our offer to the market by expanding deeper into prosperous places and transformative change areas of work, elevate our staff through more comprehensive learning and development, and continue our business efficiency efforts through more mature business systems and processes.

Directors

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

J P Ounan
C J Twigg
A Starkie

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

C J Twigg
Director

5 December 2023

Inner Circle Consulting Limited

Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Inner Circle Consulting Limited for the year ended 31 March 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Inner Circle Consulting Limited for the year ended 31 March 2023 which comprise the statement of income and retained earnings, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of Inner Circle Consulting Limited, as a body, in accordance with the terms of our engagement letter dated 29 April 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Inner Circle Consulting Limited and state those matters that we have agreed to state to the Board of Directors of Inner Circle Consulting Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Inner Circle Consulting Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Inner Circle Consulting Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Inner Circle Consulting Limited. You consider that Inner Circle Consulting Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Inner Circle Consulting Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Moore Kingston Smith LLP

11 December 2023

Chartered Accountants

Charlotte Building
17 Gresse Street
London
W1T 1QL

Inner Circle Consulting Limited

Statement of Income and Retained Earnings

For the year ended 31 March 2023

	2023 £	2022 £
Turnover	8,181,906	5,898,234
Cost of sales	(2,196,314)	(2,026,638)
Gross profit	5,985,592	3,871,596
Administrative expenses	(5,145,438)	(3,233,268)
Operating profit	840,154	638,328
Interest receivable and similar income	3,060	-
Interest payable and similar expenses	(25,442)	(174)
Profit before taxation	817,772	638,154
Taxation	(167,422)	(125,071)
Profit for the financial year	650,350	513,083
Retained earnings brought forward	1,045,013	951,130
Dividends	(524,080)	(419,200)
Retained earnings carried forward	<u>1,171,283</u>	<u>1,045,013</u>

Inner Circle Consulting Limited

Balance Sheet

As at 31 March 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	3		133,558		68,700
Current assets					
Debtors	4	1,998,653		1,421,326	
Cash at bank and in hand		910,131		677,524	
		<u>2,908,784</u>		<u>2,098,850</u>	
Creditors: amounts falling due within one year	5	<u>(1,515,123)</u>		<u>(1,106,521)</u>	
Net current assets			<u>1,393,661</u>		<u>992,329</u>
Total assets less current liabilities			<u>1,527,219</u>		<u>1,061,029</u>
Creditors: amounts falling due after more than one year	6		(325,000)		-
Provisions for liabilities	7		<u>(30,826)</u>		<u>(15,909)</u>
Net assets			<u><u>1,171,393</u></u>		<u><u>1,045,120</u></u>
Capital and reserves					
Called up share capital	9		110		107
Profit and loss reserves			<u>1,171,283</u>		<u>1,045,013</u>
Total equity			<u><u>1,171,393</u></u>		<u><u>1,045,120</u></u>

For the financial year ended 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Inner Circle Consulting Limited

Balance Sheet (Continued)

As at 31 March 2023

The financial statements were approved by the board of directors and authorised for issue on 5 December 2023 and are signed on its behalf by:

C J Twigg
Director

Company Registration No. 06799707

Inner Circle Consulting Limited

Notes to the Financial Statements

For the year ended 31 March 2023

1 Accounting policies

Company information

Inner Circle Consulting Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 3 9 Bell Yard Mews, London, United Kingdom, SE1 3UY.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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

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

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Tangible fixed assets

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

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

Fixtures and fittings	20% - 33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Cash at bank and in hand

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

1.5 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other, or basic financial instruments measured at fair value.

Inner Circle Consulting Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.6 Equity instruments

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

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

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

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

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

1.10 Share-based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the company's estimate of shares or options which will eventually vest. No change has been recognised as it is not material.

Inner Circle Consulting Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.11 Leases

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 55 (2022 - 35).

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2022	247,829
Additions	114,064
Disposals	(711)
At 31 March 2023	361,182
Depreciation and impairment	
At 1 April 2022	179,129
Depreciation charged in the year	49,206
Eliminated in respect of disposals	(711)
At 31 March 2023	227,624
Carrying amount	
At 31 March 2023	133,558
At 31 March 2022	68,700

4 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	1,474,034	1,223,584
Other debtors	524,619	197,742
	<u>1,998,653</u>	<u>1,421,326</u>

Inner Circle Consulting Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

5 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	100,000	-
Trade creditors	332,555	528,341
Corporation tax	152,107	113,599
Other taxation and social security	495,602	257,358
Other creditors	48,319	43,143
Accruals and deferred income	386,540	164,080
	<u>1,515,123</u>	<u>1,106,521</u>

6 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans and overdrafts	<u>325,000</u>	<u>-</u>

The company has a fixed and floating charge over the assets of the company secured by HSBC.

7 Provisions for liabilities

	2023 £	2022 £
Deferred tax liabilities	<u>30,826</u>	<u>15,909</u>

8 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 April 2022	1,192	600	0.01	0.01
Granted	-	892	-	0.01
Exercised	(300)	(300)	0.01	0.01
	<u>892</u>	<u>1,192</u>	<u>0.01</u>	<u>0.01</u>
Outstanding at 31 March 2023	<u>892</u>	<u>1,192</u>	<u>0.01</u>	<u>0.01</u>
Exercisable at 31 March 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 March 2023 had an exercise price of £0.01, and a remaining contractual life of 5 years.

Inner Circle Consulting Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

9 Called up share capital

	2023 £	2022 £
Ordinary share capital		
Issued and fully paid		
10,700 Ordinary shares of 1p each	110	107
	<u>110</u>	<u>107</u>
	<u><u>110</u></u>	<u><u>107</u></u>

During the year 300 Ordinary 1p shares were issued to an existing shareholder under the terms of an approved EMI share option scheme.

10 Operating lease commitments

Lessee

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

2023 £	2022 £
84,197	162,197
<u><u>84,197</u></u>	<u><u>162,197</u></u>

Inner Circle Consulting Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

11 Related party transactions

Included within other creditors is an amount of £1 (2022: £1) owed to the company directors.

During the year, the company made purchases of £85,152 (2022: £129,780) from a company controlled by a close family member of a director.

During the year, the company made purchases of £85,450 (2022: £90,458) from another company controlled by a close family member of a director. At the year end there was £7,098 (2022: £7,254) outstanding in trade creditors.

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