

REGISTERED NUMBER: 02841970 (England and Wales)

**Report of the Directors and
Financial Statements
for the Year Ended 30 September 2018
for
BMG Research Ltd**

**Contents of the Financial Statements
for the Year Ended 30 September 2018**

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BMG Research Ltd
Company Information
for the Year Ended 30 September 2018

DIRECTORS:	Mrs D A Hands Mrs J Wiseman S Maydew P Burgess Z Sajan
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 Blackthorn House St Pauls Square Birmingham West Midlands B3 1RL

**Report of the Directors
for the Year Ended 30 September 2018**

The directors present their report with the financial statements of the company for the year ended 30 September 2018.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 October 2017 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

P Burgess - appointed 1.11.17

Z Sajan - appointed 1.4.18

The directors shown below were in office at 30 September 2018 but did not hold any interest in the Ordinary Shares shares of £1 each at 1 October 2017 (or date of appointment if later) or 30 September 2018.

Mrs D A Hands

Mrs J Wiseman

S Maydew

P Burgess

Z Sajan

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 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 2018**

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.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Mrs D A Hands - Director

19 June 2019

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 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 2018 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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.

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.

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
Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

27 June 2019

**Income Statement
for the Year Ended 30 September 2018**

	Notes	30.9.18 £	30.9.17 £
TURNOVER		7,547,066	7,000,105
Cost of sales		<u>3,513,398</u>	<u>3,347,340</u>
GROSS PROFIT		4,033,668	3,652,765
Administrative expenses		<u>3,545,431</u>	<u>3,373,266</u>
OPERATING PROFIT	4	488,237	279,499
Interest receivable and similar income		<u>176</u>	<u>5</u>
		488,413	279,504
Interest payable and similar expenses	5	<u>38,472</u>	<u>45,358</u>
PROFIT BEFORE TAXATION		449,941	234,146
Tax on profit	6	<u>(16,174)</u>	<u>44,853</u>
PROFIT FOR THE FINANCIAL YEAR		466,115	189,293

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 30 September 2018

	Notes	30.9.18 £	30.9.17 £
PROFIT FOR THE YEAR		466,115	189,293
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>466,115</u>	<u>189,293</u>

Balance Sheet
30 September 2018

	Notes	30.9.18 £	£	30.9.17 £	£
FIXED ASSETS					
Tangible assets	8		1,380,167		1,406,328
Investments	9		<u>3</u>		<u>3</u>
			1,380,170		1,406,331
CURRENT ASSETS					
Debtors	10	3,124,055		2,664,405	
Cash at bank and in hand		<u>4,743</u>		<u>252,155</u>	
		3,128,798		2,916,560	
CREDITORS					
Amounts falling due within one year	11	<u>1,664,039</u>		<u>1,746,326</u>	
NET CURRENT ASSETS			<u>1,464,759</u>		<u>1,170,234</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,844,929		2,576,565
CREDITORS					
Amounts falling due after more than one year	12		(619,357)		(689,358)
PROVISIONS FOR LIABILITIES	16		<u>(50,055)</u>		<u>(57,722)</u>
NET ASSETS			<u>2,175,517</u>		<u>1,829,485</u>
CAPITAL AND RESERVES					
Called up share capital	17		216,756		216,756
Share premium	18		51,800		51,800
Capital redemption reserve	18		249,173		249,173
Retained earnings	18		<u>1,657,788</u>		<u>1,311,756</u>
SHAREHOLDERS' FUNDS			<u>2,175,517</u>		<u>1,829,485</u>

The financial statements were approved by the Board of Directors on 19 June 2019 and were signed on its behalf by:

Mrs D A Hands - Director

**Statement of Changes in Equity
for the Year Ended 30 September 2018**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 October 2016	216,756	1,126,798	51,800	249,173	1,644,527
Changes in equity					
Dividends	-	(4,335)	-	-	(4,335)
Total comprehensive income	-	189,293	-	-	189,293
Balance at 30 September 2017	<u>216,756</u>	<u>1,311,756</u>	<u>51,800</u>	<u>249,173</u>	<u>1,829,485</u>
Changes in equity					
Dividends	-	(120,083)	-	-	(120,083)
Total comprehensive income	-	466,115	-	-	466,115
Balance at 30 September 2018	<u>216,756</u>	<u>1,657,788</u>	<u>51,800</u>	<u>249,173</u>	<u>2,175,517</u>

**Cash Flow Statement
for the Year Ended 30 September 2018**

	Notes	30.9.18 £	30.9.17 £
Cash flows from operating activities			
Cash generated from operations	1	118,299	564,567
Interest paid		(26,044)	(26,770)
Interest element of finance lease payments paid		(12,428)	(18,588)
Tax paid		(19,654)	(9,964)
Net cash from operating activities		<u>60,173</u>	<u>509,245</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(73,767)	(80,099)
Interest received		176	5
Net cash from investing activities		<u>(73,591)</u>	<u>(80,094)</u>
Cash flows from financing activities			
Loan repayments in year		(44,127)	(41,955)
Capital repayments in year		(52,679)	(46,520)
Amount introduced by directors		-	38,000
Amount withdrawn by directors		(56,099)	(48,164)
Equity dividends paid		(120,083)	(4,335)
Amounts advanced to group companies		(64,217)	(63,815)
Net cash from financing activities		<u>(337,205)</u>	<u>(166,789)</u>
(Decrease)/increase in cash and cash equivalents		<u>(350,623)</u>	<u>262,362</u>
Cash and cash equivalents at beginning of year	2	<u>252,155</u>	<u>(10,207)</u>
Cash and cash equivalents at end of year	2	<u>(98,468)</u>	<u>252,155</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2018

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

	30.9.18	30.9.17
	£	£
Profit before taxation	449,941	234,146
Depreciation charges	99,928	106,713
Finance costs	38,472	45,358
Finance income	(176)	(5)
	<u>588,165</u>	<u>386,212</u>
Increase in trade and other debtors	(319,905)	(260,186)
(Decrease)/increase in trade and other creditors	<u>(149,961)</u>	<u>438,541</u>
Cash generated from operations	<u>118,299</u>	<u>564,567</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 2018

	30.9.18	1.10.17
	£	£
Cash and cash equivalents	4,743	252,155
Bank overdrafts	<u>(103,211)</u>	<u>-</u>
	<u>(98,468)</u>	<u>252,155</u>

Year ended 30 September 2017

	30.9.17	1.10.16
	£	£
Cash and cash equivalents	252,155	2,732
Bank overdrafts	<u>-</u>	<u>(12,939)</u>
	<u>252,155</u>	<u>(10,207)</u>

**Notes to the Financial Statements
for the Year Ended 30 September 2018**

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.

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 2018

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

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.

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.

Foreign currencies

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

Hire purchase and leasing commitments

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

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

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2018**

2. ACCOUNTING POLICIES - continued

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. EMPLOYEES AND DIRECTORS

	30.9.18	30.9.17
	£	£
Wages and salaries	3,404,265	3,357,187
Social security costs	286,745	271,999
Other pension costs	99,587	97,227
	<u>3,790,597</u>	<u>3,726,413</u>

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

	30.9.18	30.9.17
Operations	130	129
Research	29	23
Management and Administration	24	14
	<u>183</u>	<u>166</u>

	30.9.18	30.9.17
	£	£
Directors' remuneration	414,196	349,632
Directors' pension contributions to money purchase schemes	28,760	16,931

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

Money purchase schemes	<u>4</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	30.9.18	30.9.17
	£	£
Emoluments etc	149,221	142,025
Pension contributions to money purchase schemes	11,851	6,852

4. OPERATING PROFIT

The operating profit is stated after charging:

	30.9.18	30.9.17
	£	£
Hire of plant and machinery	45,163	41,413
Other operating leases	9,011	4,909
Depreciation - owned assets	90,340	88,747
Depreciation - assets on finance leases	9,588	17,966
Auditors' remuneration	<u>7,440</u>	<u>7,440</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.9.18	30.9.17
	£	£
Bank interest	2,988	63
Bank loan interest	22,996	26,707
Interest on late payments of tax	60	-
Finance charges payable under finance leases	12,428	18,588
	<u>38,472</u>	<u>45,358</u>

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	30.9.18	30.9.17
	£	£
Current tax:		
UK corporation tax	(8,507)	8,507
Deferred tax	(7,667)	36,346
Tax on profit	<u>(16,174)</u>	<u>44,853</u>

UK corporation tax was charged at 19.50% in 2017.

Reconciliation of total tax (credit)/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:

	30.9.18	30.9.17
	£	£
Profit before tax	449,941	234,146
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.500%)	85,489	45,658
Effects of:		
Expenses not deductible for tax purposes	3,062	(1,541)
Capital allowances in excess of depreciation	(6,658)	-
Depreciation in excess of capital allowances	-	37,775
Utilisation of tax losses	-	(37,039)
Claim under R&D Enhanced expenditure	(98,067)	-
Total tax (credit)/charge	<u>(16,174)</u>	<u>44,853</u>

Finance No.2 Bill 2015 became substantively enacted in October 2015, reducing the main rate of corporation tax from 20% to 19% from 1 April 2017, and Finance Bill 2016 became substantively enacted in September 2016 further reducing the rate to 17% from 1 April 2020.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

7. DIVIDENDS

	30.9.18 £	30.9.17 £
Ordinary Shares shares of £1 each		
Final	-	4,335
Interim	120,083	-
	<u>120,083</u>	<u>4,335</u>

8. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 October 2017	1,126,332	270,374	283,379	1,680,085
Additions	-	13,396	60,371	73,767
At 30 September 2018	<u>1,126,332</u>	<u>283,770</u>	<u>343,750</u>	<u>1,753,852</u>
DEPRECIATION				
At 1 October 2017	27,764	60,157	185,836	273,757
Charge for year	11,489	23,873	64,566	99,928
At 30 September 2018	<u>39,253</u>	<u>84,030</u>	<u>250,402</u>	<u>373,685</u>
NET BOOK VALUE				
At 30 September 2018	<u>1,087,079</u>	<u>199,740</u>	<u>93,348</u>	<u>1,380,167</u>
At 30 September 2017	<u>1,098,568</u>	<u>210,217</u>	<u>97,543</u>	<u>1,406,328</u>

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

Fixed assets, included in the above, which are held under finance leases are as follows:

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 October 2017 and 30 September 2018	155,107	72,440	22,453	250,000
DEPRECIATION				
At 1 October 2017	3,824	8,754	18,069	30,647
Charge for year	1,582	3,622	4,384	9,588
At 30 September 2018	<u>5,406</u>	<u>12,376</u>	<u>22,453</u>	<u>40,235</u>
NET BOOK VALUE				
At 30 September 2018	<u>149,701</u>	<u>60,064</u>	-	<u>209,765</u>
At 30 September 2017	<u>151,283</u>	<u>63,686</u>	<u>4,384</u>	<u>219,353</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

9. **FIXED ASSET INVESTMENTS**

		Shares in group undertakings £
COST		
At 1 October 2017		
and 30 September 2018		<u>3</u>
NET BOOK VALUE		
At 30 September 2018		<u>3</u>
At 30 September 2017		<u>3</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	30.9.18 £	30.9.17 £
Class of shares:	100.00		
Ordinary shares			
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Bostock Marketing Group Limited (formally BMG Research Limited)

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

Nature of business: Dormant

	% holding	30.9.18 £	30.9.17 £
Class of shares:	100.00		
Ordinary			
Aggregate capital and reserves		<u>1</u>	<u>1</u>

10. **DEBTORS**

	30.9.18 £	30.9.17 £
Amounts falling due within one year:		
Trade debtors	1,816,936	1,221,412
Amounts owed by group undertakings	304,782	240,565
Amounts recoverable on contracts	720,169	990,105
Other debtors	-	5,000
Directors' current accounts	136,098	79,999
Tax	8,507	-
Prepayments and accrued income	115,154	115,837
	<u>3,101,646</u>	<u>2,652,918</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2018**

10. DEBTORS - continued

	30.9.18	30.9.17
	£	£
Amounts falling due after more than one year:		
Tax	<u>22,409</u>	<u>11,487</u>
Aggregate amounts	<u>3,124,055</u>	<u>2,664,405</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.18	30.9.17
	£	£
Bank loans and overdrafts (see note 13)	148,245	44,100
Finance leases (see note 14)	58,719	86,459
Trade creditors	932,997	1,160,355
Tax	-	8,731
Social security and other taxes	290,257	260,013
Other creditors	113,925	86,761
Accruals and deferred income	<u>119,896</u>	<u>99,907</u>
	<u>1,664,039</u>	<u>1,746,326</u>

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

	30.9.18	30.9.17
	£	£
Bank loans (see note 13)	591,635	636,697
Finance leases (see note 14)	27,720	52,659
Amounts owed to group undertakings	<u>2</u>	<u>2</u>
	<u>619,357</u>	<u>689,358</u>

13. LOANS

An analysis of the maturity of loans is given below:

	30.9.18	30.9.17
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	103,211	-
Bank loans	<u>45,034</u>	<u>44,100</u>
	<u>148,245</u>	<u>44,100</u>
Amounts falling due between two and five years:		
Bank loans falling due in two to five years	<u>393,652</u>	<u>194,633</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans falling due after five years - payable in instalments	<u>197,983</u>	<u>442,064</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2018**

13. LOANS - continued

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

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	30.9.18	30.9.17
	£	£
Net obligations repayable:		
Within one year	58,719	86,459
Between one and five years	27,720	52,659
	<u>86,439</u>	<u>139,118</u>
	Non-cancellable operating leases	
	30.9.18	30.9.17
	£	£
Within one year	49,164	55,051
Between one and five years	61,301	61,845
	<u>110,465</u>	<u>116,896</u>

Operating leases primarily relate to company vehicles.

Finance leases primarily relate to fixtures and fittings and computer equipment.

15. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.18	30.9.17
	£	£
Bank overdraft	103,211	-
Bank loans	636,669	680,797
Finance leases	86,439	139,118
	<u>826,319</u>	<u>819,915</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.

Finance lease liabilities are secured on the assets acquired.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

16. **PROVISIONS FOR LIABILITIES**

	30.9.18 £	30.9.17 £
Deferred tax	<u>50,055</u>	<u>57,722</u>
		Deferred tax
		£
Balance at 1 October 2017		57,722
Accelerated capital allowances		(6,187)
Unrelieved tax losses		
Change in rate of taxation		<u>(1,480)</u>
Balance at 30 September 2018		<u>50,055</u>

17. **CALLED UP SHARE CAPITAL**

Allotted and issued:				
Number:	Class:	Nominal value:	30.9.18 £	30.9.17 £
216,756	Ordinary shares	£1	<u>216,756</u>	<u>216,756</u>

18. **RESERVES**

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 October 2017	1,311,756	51,800	249,173	1,612,729
Profit for the year	466,115			466,115
Dividends	<u>(120,083)</u>			<u>(120,083)</u>
At 30 September 2018	<u>1,657,788</u>	<u>51,800</u>	<u>249,173</u>	<u>1,958,761</u>

19. **PENSION COMMITMENTS**

The company operates three defined contribution pension schemes for all employees. The charge for the year was £92,859 (2017 - £97,227).

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

The following advances and credits to directors subsisted during the years ended 30 September 2018 and 30 September 2017:

	30.9.18 £	30.9.17 £
Mrs D A Hands		
Balance outstanding at start of year	56,220	51,963
Amounts advanced	26,098	42,257
Amounts repaid	-	(38,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>82,318</u>	<u>56,220</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

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

S Maydew

Balance outstanding at start of year	9,900	9,900
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>9,900</u>	<u>9,900</u>

Mrs J Wiseman

Balance outstanding at start of year	13,879	7,972
Amounts advanced	25,000	5,907
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>38,879</u>	<u>13,879</u>

Z Sajan

Balance outstanding at start of year	-	-
Amounts advanced	5,000	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>5,000</u>	<u>-</u>

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

21. **RELATED PARTY DISCLOSURES**

Entities with control, joint control or significant influence over the entity

	30.9.18	30.9.17
	£	£
Amount due from related party	<u>304,782</u>	<u>240,565</u>

Entities over which the entity has control, joint control or significant influence

	30.9.18	30.9.17
	£	£
Amount due to related party	<u>2</u>	<u>2</u>

During the year, a total of key management personnel compensation of £ 414,196 (2017 - £ 349,632) 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.

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