REGISTERED NUMBER: 00247566 (England and Wales)

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

COGENT ELLIOTT GROUP LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2021

COGENT ELLIOTT GROUP LIMITED

COMPANY INFORMATION
for the year ended 31 December 2021

DIRECTORS:	W.E. Husselby M.S. Husselby B. Hutton F.A.A. Maude
REGISTERED OFFICE:	Heath Farm Hampton Lane Meriden West Midlands CV7 7LL
REGISTERED NUMBER:	00247566 (England and Wales)
AUDITORS:	Dafferns LLP One Eastwood Harry Weston Road Binley Business Park Coventry CV3 2UB

GROUP STRATEGIC REPORT
for the year ended 31 December 2021

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

OVERVIEW OF COGENT
Cogent is a well-respected, market leading creative agency and is the oldest independent agency in the UK, having traded successfully for over ninety years.

Our principal business is in delivering integrated marketing campaigns to client companies, driving their growth, building their brands, influencing consumer behaviour and ensuring strong ROI in an increasingly digital world.

Core capabilities include Planning, Strategy, Digital, Advertising, Design, Mobile, Brand, Social, PR, Film, Photography, CRM, Online Media, SEO and Content. We operate in both B2B (40%) and B2C (60%) markets.

Our proprietary 'Belief Mapping' tool helps brands change behaviour by building and sharing a cogent narrative.

REVIEW OF BUSINESS
Our 2021 business plan was focussed on the continued recovery from the Covid-19 crisis.

We were pleased to follow a tough 2020 with very strong new business performance. New wins included Virgin, Wolseley, Enreach, Lifetime Brands and Stellantis. Our win ratio was over 80%.

We are also very proud not to have lost a client in 2021, achieved record breaking Net Promoter scores and once again won Campaign Magazine Best Places to work for the third year running as well as picking up an IPA Gold for delivering on our CPD commitments across the whole team.

We launched our Mission:

- Better People

- Better Relationships

- Better Work

We firmly believe that investment in our team will, overall deliver better results for our clients and therefore for us as well.

We heavily invested in the Government's Kick Start scheme, giving young people a gateway into our industry. We currently have four great team members fully employed following their initial six-month period.

Our sister operation Junction Eleven Limited, based in Banbury continued its recovery from Covid with more film work, building on our editing capabilities and also developing a 'remote shoot' product to avoid clients having to travel.

The bulk of our business operation remains headquartered in the Midlands, where our location, outstanding office facilities and reputation allow us to attract world class talent, whilst also offering greater value to clients often shackled with covering London overheads via our competitors.

PRINCIPAL RISKS AND UNCERTAINTIES

The business environment in which we operate continues to be challenging. The Marketing Communications industry in the UK is highly competitive, and margins remain under pressure.

We continue to experience further economic uncertainty in the current year, with the war in Ukraine, client-side supply chain issues, inflationary pressures, and the cost-of-living crisis.

The directors aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year-end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

KEY PERFORMANCE INDICATORS

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover and gross margin.

The turnover of the trading companies was as follows (after eliminating intercompany trading):

	2021	2020
	£'000	£'000
Cogent Elliott	4,500	3,934
Junction Eleven	1,142	817

Overall, the Group operating profit for the year was £725k compared with a profit of £314k in 2020.

Return on capital employed was 11% (2020: 5%). Return on capital employed is calculated as operating profit divided by capital employed, which constitutes total assets less current liabilities, less investments, less cash, plus overdrafts and other debt borrowings.

FUTURE DEVELOPMENTS

In 2022 the business benefits from the full year of our new business wins, and our client base remains broad and varied. No single client represents more than 15% of our total revenue, reducing risk to the business.

Looking forward the directors continue to invest in the business with plans to extend and diversify the agency service offering, to both attract new work as well as add further value to our existing clients.

ON BEHALF OF THE BOARD:

Director

24 August 2022

REPORT OF THE DIRECTORS
for the year ended 31 December 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES
The principal activities of the group in the year under review were those of an advertising and marketing agency and property investors and managers.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2021.

FUTURE DEVELOPMENTS
Future developments have been detailed in the strategic report in accordance with s414C(11) CA 2006.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

W.E. Husselby
M.S. Husselby
B. Hutton
F.A.A. Maude

DIRECTORS INDEMNITY INSURANCE
The Group has indemnity insurance provisions for the benefit of its directors.

GOING CONCERN
During the 2021 financial year, the group has continued to weather the negative impacts driven by the Covid-19 virus outbreak. Despite further national lockdowns during the year and its knock on impact for businesses and the overall confidence in the wider market place, the group has continued to recover well, and this is reflected in the positive 2021 financial results.

The group continued to utilise the Coronavirus Job Retention Scheme throughout the 2021 financial year, albeit on a reduced scale, in order to support the ongoing working capital needs of the group.

During the prior financial year, in July 2020, a new bank loan was secured for £1.2m. A further £50k bounce back loan was obtained in March 2021 and a £700k bank overdraft facility is available to the group which remains unused at the date of these financial statements.

The directors have considered the working capital requirements of the group and believe that the resources available to them are sufficient and appropriate for the continuing trading needs of the business. As a result of this assessment, the going concern assumption continues to be adopted in the preparation of these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

REPORT OF THE DIRECTORS
for the year ended 31 December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

ON BEHALF OF THE BOARD:

B. Hutton - Director

24 August 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COGENT ELLIOTT GROUP LIMITED

Opinion

We have audited the financial statements of Cogent Elliott Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2021 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COGENT ELLIOTT GROUP LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COGENT ELLIOTT GROUP LIMITED

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.

Martin Gibbs FCCA (Senior Statutory Auditor)
for and on behalf of Dafferns LLP
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Date: 12 September 2022

CONSOLIDATED
INCOME STATEMENT
for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
TURNOVER	4	5,642	4,751
Other operating income	5	1,271	1,227
		6,913	5,978
Materials and external costs		(1,709)	(1,134)
		5,204	4,844
Staff costs	6	(3,061)	(3,125)
Depreciation		(56)	(90)
Other operating expenses		(1,362)	(1,315)
OPERATING PROFIT	7	725	314
Group pension fund professional fees	8	(98)	(119)
Reorganisation costs	8	(125)	(148)
		502	47
Interest payable and similar expenses	9	(46)	(47)
Other finance costs	25	(30)	(45)
PROFIT/(LOSS) BEFORE TAXATION		426	(45)
Tax on profit/(loss)	10	(53)	(44)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		373	(89)
Profit/(loss) attributable to:			
Owners of the parent		373	(89)

The notes form part of these financial statements

CONSOLIDATED
OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
PROFIT/(LOSS) FOR THE YEAR		373	(89)
OTHER COMPREHENSIVE INCOME			
Actuarial return less expected return		803	1,010
Experience gains and losses		(25)	(420)
Changes in present value assumptions		(19)	(742)
Change in deferred tax rate			
Income tax relating to components of other comprehensive income		(53)	82
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		706	(70)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,079	(159)
Total comprehensive income attributable to:			
Owners of the parent		1,079	(159)

The notes form part of these financial statements

COGENT ELLIOTT GROUP LIMITED (REGISTERED NUMBER: 00247566)

CONSOLIDATED BALANCE SHEET
31 December 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Intangible assets	12	46	79
Tangible assets	13	57	69
Investments	14	236	236
Investment property	15	5,000	5,000
		5,339	5,384
CURRENT ASSETS			
Debtors	16	1,810	1,436
Cash at bank		378	50
		2,188	1,486
CREDITORS			
Amounts falling due within one year	17	(2,027)	(1,516)
NET CURRENT ASSETS/(LIABILITIES)		161	(30)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,500	5,354
CREDITORS			
Amounts falling due after more than one year	18	(1,256)	(1,509)
PENSION LIABILITY	25	(1,159)	(1,839)
NET ASSETS		3,085	2,006
CAPITAL AND RESERVES			
Called up share capital	23	102	102
Share premium	24	17	17
Revaluation reserve	24	1,806	1,806
Retained earnings	24	1,160	81
SHAREHOLDERS' FUNDS		3,085	2,006

The financial statements were approved by the Board of Directors and authorised for issue on 24 August 2022 and were signed on its behalf by:

F.A.A. Maude - Director

B. Hutton - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 December 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	-	-
Investments	14	236	236
Investment property	15	-	-
		236	236
CURRENT ASSETS			
Debtors	16	3,022	2,723
CREDITORS			
Amounts falling due within one year	17	(529)	(578)
NET CURRENT ASSETS		2,493	2,145
TOTAL ASSETS LESS CURRENT LIABILITIES		2,729	2,381
PROVISIONS FOR LIABILITIES	22	(2,713)	(2,325)
NET ASSETS		16	56
CAPITAL AND RESERVES			
Called up share capital	23	102	102
Share premium	24	17	17
Retained earnings	24	(103)	(63)
SHAREHOLDERS' FUNDS		16	56
Company's loss for the financial year		(40)	(248)

The financial statements were approved by the Board of Directors and authorised for issue on 24 August 2022 and were signed on its behalf by:

F.A.A. Maude - Director

B. Hutton - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Revaluation reserve £'000	Total equity £'000
Balance at 1 January 2020	102	240	17	1,806	2,165
Changes in equity					
Total comprehensive income	-	(159)	-	-	(159)
Balance at 31 December 2020	102	81	17	1,806	2,006
Changes in equity					
Total comprehensive income	-	1,079	-	-	1,079
Balance at 31 December 2021	102	1,160	17	1,806	3,085

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 1 January 2020	102	185	17	304
Changes in equity				
Total comprehensive income	-	(248)	-	(248)
Balance at 31 December 2020	102	(63)	17	56
Changes in equity				
Total comprehensive income	-	(40)	-	(40)
Balance at 31 December 2021	102	(103)	17	16

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	30	435	(514)
Interest paid		(42)	(38)
Interest element of hire purchase payments paid		(4)	(9)
Net cash from operating activities		389	(561)
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(119)
Purchase of tangible fixed assets		(21)	(7)
Net cash from investing activities		(21)	(126)
Cash flows from financing activities			
New loans in year		50	1,200
Loan repayments in year		(30)	(100)
HP capital repayments in year		(28)	(44)
Amount introduced by directors		4	25
Amount withdrawn by directors		(36)	(88)
Net cash from financing activities		(40)	993
Increase in cash and cash equivalents		328	306
Cash and cash equivalents at beginning of year	31	50	(256)
Cash and cash equivalents at end of year	31	378	50

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2021

1. **STATUTORY INFORMATION**

Cogent Elliott Group Limited 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 General Information page.

The presentation currency of the financial statements and functional currency of the company and group is the Pound Sterling (£).

The financial statements and rounded to the nearest £000.

2. **STATEMENT OF COMPLIANCE**

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.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation
The consolidated accounts incorporate the accounts of the company and all its subsidiaries.

Turnover
Turnover represents the fair value of services provided during the year on client assignments. Turnover is recognised as contract activity progresses and the right to consideration is earned. Fair value reflects the amount expected to be recoverable from clients and is based on the time spent, skills and expertise provided and expenses incurred. Turnover excludes Value Added Tax.

Unbilled turnover on individual client assignments is included as accrued income within debtors.

Employment support and grant income
Grant income received from the UK's Coronavirus Job Retention Scheme and Kickstart Scheme has been recognised in the period in which the related staff expense was incurred. This income has been recognised in other operating income.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 2019, is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets
Tangible fixed assets are recognised at cost and subsequently measured under the historical cost model being cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes any direct expenditure incurred to bring the asset to its current location and condition necessary for the asset to work as intended by management.

Repairs and maintenance costs are charged to the income statement in the period in which they are incurred.

Depreciation is provided on the cost of tangible fixed assets in equal instalments over the estimated useful lives, which are as follows:-

Short leasehold property -	5 - 10 years relative to the life of the lease
Fixture and equipment -	Between 3 and 5 years

Any gains and losses on the disposal of tangible fixed assets are recognised in the income statement in the year that the disposal takes place.

continued...

3. **ACCOUNTING POLICIES - continued**

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the income statement.

The most recent valuation uses the investment method of valuation. It is based on an equivalent yield of 8% to 8.5% and market evidence for similar property transactions.

Financial instruments
Basic financial instruments in debtors and creditors with no stated interest rate, and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other administrative expenses.

Other financial assets and liabilities, such as loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

Deferred 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.

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 the income statement on a straight line basis over the period of the lease.

continued...

3. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The group makes contributions to a defined contribution pension scheme and a defined benefit scheme.

A defined contribution plan is a pension scheme under which the group pays fixed contributions into an independently administered fund and has no further obligations once the contributions have been paid. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

Defined benefit scheme assets are valued at fair value and liabilities are measured on an actuarial basis using the projected unit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting asset or liability, net of deferred tax, is presented separately after other net assets on the face of the balance sheet.

The amount charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the income statement if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of the other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other comprehensive income.

4. TURNOVER

The turnover and profit (2020 - loss) before taxation are attributable to the principal activities of the group.

An analysis of turnover by geographical market is given below:

	2021	2020
	£'000	£'000
United Kingdom	5,151	4,490
Rest of World	491	261
	5,642	4,751

5. OTHER OPERATING INCOME

	2021	2020
	£'000	£'000
Rents and recharges received	742	713
Other grants	81	-
CJRS grants	448	514
	1,271	1,227

CJRS grants reflect furlough grants received from the UK Government, having utilised the Coronavirus Job Retention Scheme, being made available in response to the Covid-19 pandemic.

Other grants reflect employment grants obtained in relation to the UK Government Kickstart Scheme.

continued...

6. EMPLOYEES AND DIRECTORS

	2021 £'000	2020 £'000
Wages and salaries	2,694	2,759
Social security costs	292	279
Other pension costs	75	87
	3,061	3,125

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

	2021	2020
Agency, studio and design	60	68
Finance and administration	10	13
	70	81

	2021 £	2020 £
Directors' remuneration	333,514	338,595
Directors' pension contributions to money purchase schemes	-	1,000

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

Money purchase schemes	-	1

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	164,620	184,870

7. OPERATING PROFIT

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

	2021 £'000	2020 £'000
Depreciation - owned assets	21	33
Depreciation - assets on hire purchase contracts	12	30
Goodwill amortisation	22	27
Auditors' remuneration	6	5
Auditors' remuneration - other services	16	15
Operating lease charges - equipment	17	17
Operating lease charges - land and buildings	146	146
Rents receivable	(570)	(526)

8. EXCEPTIONAL ITEMS

	2021 £'000	2020 £'000
Group pension fund professional fees	(98)	(119)
Reorganisation costs	(125)	(148)
	(223)	(267)

continued...

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £'000	2020 £'000
Bank interest	-	14
Bank loan interest	37	17
Interest payable	5	7
Hire purchase interest	4	9
	46	47

10. TAXATION

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

	2021 £'000	2020 £'000
Deferred tax:		
Deferred tax	62	(62)
Deferred tax on pension liability	(9)	106
Total deferred tax	53	44
Tax on profit/(loss)	53	44

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
Profit/(loss) before tax	426	(45)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	81	(9)
Effects of:		
Expenses not deductible for tax purposes	6	4
Recognition of deferred tax on brought forward losses	-	(17)
Utilised tax losses	(40)	(1)
Unutilised tax losses carried forward	-	68
Deferred tax rate change and rounding differences	6	(1)
Total tax charge	53	44

Tax effects relating to effects of other comprehensive income

		2021	
	Gross £'000	Tax £'000	Net £'000
Actuarial return less expected return	803	(201)	602
Experience gains and losses	(25)	6	(19)
Changes in present value assumptions	(19)	5	(14)
Change in deferred tax rate	-	137	137
	759	(53)	706

continued...

10. **TAXATION - continued**

	2020		
	Gross	Tax	Net
	£'000	£'000	£'000
Actuarial return less expected return	1,010	(192)	818
Experience gains and losses	(420)	80	(340)
Changes in present value assumptions	(742)	141	(601)
Change in deferred tax rate	-	53	53
	(152)	82	(70)

The group has tax losses carried forward of £832k (2020: £1,310k) that are available for offset against future taxable profits. A deferred tax asset of £Nil (2020: £62k) has been recognised in respect to these tax losses.

11. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

12. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill
	£'000
COST	
At 1 January 2021	150
Impairments	(11)
At 31 December 2021	139
AMORTISATION	
At 1 January 2021	71
Amortisation for year	22
At 31 December 2021	93
NET BOOK VALUE	
At 31 December 2021	46
At 31 December 2020	79

continued...

13. TANGIBLE FIXED ASSETS

Group

	Short leasehold £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 January 2021	541	1,345	-	1,886
Additions	-	13	8	21
At 31 December 2021	541	1,358	8	1,907
DEPRECIATION				
At 1 January 2021	534	1,283	-	1,817
Charge for year	3	30	-	33
At 31 December 2021	537	1,313	-	1,850
NET BOOK VALUE				
At 31 December 2021	4	45	8	57
At 31 December 2020	7	62	-	69

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £'000
COST	
At 1 January 2021	116
Transfer to ownership	(116)
At 31 December 2021	-
DEPRECIATION	
At 1 January 2021	104
Charge for year	12
Transfer to ownership	(116)
At 31 December 2021	-
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	12

continued...

14. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £'000
COST	
At 1 January 2021 and 31 December 2021	236
NET BOOK VALUE	
At 31 December 2021	236
At 31 December 2020	236

Company

	Unlisted investments £'000
COST	
At 1 January 2021 and 31 December 2021	236
NET BOOK VALUE	
At 31 December 2021	236
At 31 December 2020	236

The company owns the whole of the ordinary share capital of the following companies, except where indicated*, all of which are registered in England and Wales:

Advertising services	Dormant
Cogent Elliott Limited*	Cogent Group Limited
Cogent Elliott Investments Limited	The Drury Lane Company Limited*
Junction Eleven Limited	IMO Agency Limited*

*These are wholly-owned subsidiaries of Cogent Group Limited.
IMO Agency Limited was dissolved in 2021.

The registered office for all the above companies is the same as that of Cogent Elliott Group Limited, which can be found on the General Information Page.

15. INVESTMENT PROPERTY

Group

	Total £'000
FAIR VALUE	
At 1 January 2021 and 31 December 2021	5,000
NET BOOK VALUE	
At 31 December 2021	5,000
At 31 December 2020	5,000

continued...

15. INVESTMENT PROPERTY - continued

Group

Fair value at 31 December 2021 is represented by:

	£'000
Valuation in 2021	1,806
Cost	3,194
	5,000

If investment property had not been revalued it would have been included at the following historical cost:

	2021 £'000	2020 £'000
Cost	3,194	3,194

The investment property was valued on an open market basis on 24 August 2017 by D & P Holt Property Consultants.

The directors have adopted this valuation as appropriate at 31 December 2021.

16. DEBTORS

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year:				
Trade debtors	1,000	561	-	-
Amounts owed by group undertakings	-	-	2,244	1,981
Other debtors	167	178	-	-
Deferred tax asset	-	62	-	-
Accrued income	171	157	-	-
Prepayments	200	231	100	300
	1,538	1,189	2,344	2,281
Amounts falling due after more than one year:				
Other debtors	-	11	-	-
Directors' loan accounts	272	236	-	-
Deferred tax asset	-	-	678	442
	272	247	678	442
Aggregate amounts	1,810	1,436	3,022	2,723

continued...

16. DEBTORS - continued

Deferred tax asset

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Accelerated capital allowances	-	3	-	-
Tax losses carried forward	-	56	-	-
Other timing differences	-	3	678	442
	-	62	678	442

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 19)	66	23	-	-
Hire purchase contracts (see note 20)	8	28	-	-
Payments on account	220	191	-	-
Trade creditors	780	596	-	-
Amounts owed to group undertakings	-	-	529	578
Social security and other taxes	193	169	-	-
VAT	310	217	-	-
Other creditors	136	22	-	-
Directors' loan accounts	25	-	-	-
Accruals	289	270	-	-
	2,027	1,516	529	578

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

	Group	
	2021	2020
	£'000	£'000
Bank loan (see note 19)	1,154	1,177
Hire purchase contracts (see note 20)	-	8
VAT	102	189
Other creditors	-	114
Directors' loan accounts	-	21
	1,256	1,509

continued...

19. LOANS

An analysis of the maturity of loans is given below:

	Group 2021 £'000	Group 2020 £'000
Amounts falling due within one year or on demand:		
Bank loan	66	23
Amounts falling due between one and two years:		
Bank loan	76	72
Amounts falling due between two and five years:		
Bank loan	1,074	1,105
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan	4	-

A bank loan of £1,200k was taken out in 2020 over a term of 4 years and is repayable by August 2024. The loan was issued with a 12 month interest only period, with monthly loan repayments commencing from August 2021. Interest is being charged on the loan at a rate of 2.75% above the Bank of England base rate.

A Government backed Bounce Back loan was taken out in the 2021 financial year for £50k. This loan has a 6 year repayment term with no interest charges or capital repayments in the first 12 months. The first repayments of this loan will commence in 2022 and interest will be charged at a rate of 2.5%.

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts 2021 £'000	Hire purchase contracts 2020 £'000
Net obligations repayable:		
Within one year	8	28
Between one and five years	-	8
	8	36

Group

	Non-cancellable operating leases 2021 £'000	Non-cancellable operating leases 2020 £'000
Within one year	431	456
Between one and five years	403	1,189
In more than five years	479	539
	1,313	2,184

continued...

20. LEASING AGREEMENTS - continued

The 2020 operating lease commitment has been restated, correcting an allocation error between when payments fall due. The total commitment under non-cancellable operating leases at the 2020 balance sheet date has not changed as a result of this restatement.

Minimum lease payments receivable under non-cancellable operating leases are as follows:

Group

	2021 £'000	2020 £'000
Within one year	530	530
Between one and five years	2,122	2,122
In more than five years	1,503	2.033
	4,155	4,685

Lease payments receivable relate to a 10 year agreement to lease the property which commenced in 2019.

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2021 £'000	2020 £'000
Bank loan	1,220	1,200
Hire purchase contracts	8	36
	1,228	1,236

Bank borrowings are secured by a fixed charge over the group's properties and a floating charge over all the group's assets. Hire purchase contracts are secured by certain specific fixed assets.

22. PROVISIONS FOR LIABILITIES

Deferred tax

	Group £'000
Balance at 1 January 2021	(62)
Accelerated capital allowances	3
Other timing differences	1
Trading losses	58
Balance at 31 December 2021	-

continued...

22. PROVISIONS FOR LIABILITIES - continued

	Company	
	Deferred Tax £'000	Pension Liability £'000
Balance at 1 January 2021	(442)	2,325
(Credit)/charge to Income Statement during year	(236)	588
Pension deficit paid in year	-	(200)
Balance at 31 December 2021	(678)	2,713

The net present value of the pension deficit schedule of contributions has been accounted for as a provision and the discount rate used is 1.9%

Deferred tax has been provided where applicable at a rate of 25% in 2021, being the rate substantively enacted in the UK. Deferred tax in the prior year was provided at a rate of 19%.

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £'000	2020 £'000
51,240	Ordinary	£1	51	51
51,240	'A' shares	£1	51	51
			102	102

24. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Revaluation reserve £'000	Totals £'000
At 1 January 2021	81	17	1,806	1,904
Profit for the year	373	-	-	373
Actuarial gains/(losses) pension scheme	706	-	-	706
At 31 December 2021	1,160	17	1,806	2,983

Company

	Retained earnings £'000	Share premium £'000	Totals £'000
At 1 January 2021	(63)	17	(46)
Deficit for the year	(40)	-	(40)
At 31 December 2021	(103)	17	(86)

continued...

24. RESERVES - continued

a) Retained earnings

The retained earnings reserve represents cumulative profits and losses net of dividends and other adjustments.

b) Share premium

The share premium account represents the premium arising on the issue of shares net of issue costs.

c) Revaluation reserve

The revaluation reserve represents the cumulative effect of revaluations of investment property.

25. EMPLOYEE BENEFIT OBLIGATIONS

The company operates an occupational pension plan in the UK which has both a defined benefit and defined contribution section. This report only relates to the defined benefit section. The defined benefit element is closed to new entrants. A full triennial valuation was last carried out at 31 March 2020 and the results have been updated to 31 December 2021 by a qualified actuary, independent of the scheme's sponsoring employer.

The Scheme assets do not include investments issued by Cogent Elliott Group Limited nor any property occupied by Cogent Elliott Group Limited.

The major assumptions used by the actuary are shown below.

The scheme currently remains in a deficit position and the Trustees agreed a new deficit recovery plan on 22 June 2021.

Under the new recovery plan, Cogent Elliott Group Limited has agreed with the Trustees that it will aim to eliminate the deficit over a period of 13 years and 2 months from 31 March 2021. This will be achieved by a payment of £200,000 in December 2020 in respect of contributions due from 1 January 2021 to 30 June 2021 due under the 2017 recovery plan, and a payment of £100,000 in December 2020 in respect of contributions from 1 January 2022 to 31 March 2022. Contributions of £150,000 per annum will be payable from 1 January 2023, increasing to £300,000 per annum from 1 January 2024 to 31 May 2033.

The employer will also continue to contribute £65,000 per annum in respect of the expenses of the scheme. The cost of the levies payable to the Pension Protection Fund will be met in addition by the employer.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Present value of funded obligations	(10,739)	(11,261)
Fair value of plan assets	9,193	8,991
	(1,546)	(2,270)
Present value of unfunded obligations	-	-
Deficit	(1,546)	(2,270)
Deferred tax asset	387	431
Net liability	(1,159)	(1,839)

continued...

25. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Current service cost	-	-
Net interest from net defined benefit liability	30	45
Past service cost	-	-
Expenses	70	64
	100	109
Actual return on plan assets	803	1,010

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening defined benefit obligation	11,261	10,796
Interest cost	142	197
Expenses	70	64
Actuarial losses/(gains)	44	1,162
Benefits paid	(778)	(958)
	10,739	11,261

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening fair value of scheme assets	8,991	8,122
Contributions by employer	65	665
Interest income	112	152
Actuarial gains/(losses)	803	1,010
Benefits paid	(778)	(958)
	9,193	8,991

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Actuarial gains/(losses)	759	(152)
	759	(152)

continued...

25. EMPLOYEE BENEFIT OBLIGATIONS - continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
Corporate bonds	8.99%	11.67%
Cash/Net Current Assets	1.53%	4.40%
LDI	22.99%	19.50%
Other (Hedge, Commodities etc)	66.49%	64.43%
	100.00%	100.00%

None of the fair values of the assets shown above include any direct investments in the group's own financial instruments or any property occupied by, or other assets used by, the group.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021	2020
Discount rate	1.90%	1.30%
Future pension increases (CPI, max 5%)	2.70%	2.00%
Future pension increases (CPI, max 3%)	2.30%	1.80%
Inflation (CPI)	2.70%	2.00%

Defined contribution scheme

The group also operates a defined contribution scheme in the UK.

The charge for the year in respect of the defined contribution scheme was £75k (2020: £87k).

26. CONTINGENT LIABILITIES

The parent company has guaranteed borrowings by subsidiary companies amounting to £843k (2020: £1,150k).

The company operates a senior executive bonus scheme where bonuses are awarded, but will only be payable on the sale or floatation of the company. The potential liability at 31 December 2021 is £230k.

27. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2021 and 31 December 2020:

	2021	2020
	£'000	£'000
B. Hutton		
Balance outstanding at start of year	236	179
Amounts advanced	36	82
Amounts repaid	-	(25)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	272	236

The outstanding loan from Mr B.W. Hutton is subject to an agreement under which interest is accrued at 3% per annum. The loan is repayable by May 2024.

continued...

28. RELATED PARTY DISCLOSURES

During the year the group had a loan with 20 (London) Limited, a company connected with Mr W E Husselby and Mr M S Husselby. The balance outstanding at the year end was £40k (2020: £40k).

During the year the Group had a loan from J & BH Investments Limited, a company connected with Mr W E Husselby. The balance outstanding at the year end was £114k (2020: £114k).

During the year, total key management personnel compensation of £362k (2020: £376k) was paid.

29. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr W.E. Husselby.

30. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£'000	£'000
Profit/(loss) before taxation	426	(45)
Depreciation charges	55	90
Defined benefit pension contribution	(65)	(665)
Pension scheme expenses	70	64
Finance costs	76	92
	562	(464)
(Increase)/decrease in trade and other debtors	(389)	500
Increase/(decrease) in trade and other creditors	262	(550)
Cash generated from operations	435	(514)

31. 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 31 December 2021

	31.12.21	1.1.21
	£'000	£'000
Cash and cash equivalents	378	50

Year ended 31 December 2020

	31.12.20	1.1.20
	£'000	£'000
Cash and cash equivalents	50	-
Bank overdrafts	-	(256)
	50	(256)

continued...

32. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21 £'000	Cash flow £'000	At 31.12.21 £'000
Net cash			
Cash at bank	50	328	378
	50	328	378
Debt			
Finance leases	(36)	28	(8)
Debts falling due within 1 year	(23)	(43)	(66)
Debts falling due after 1 year	(1,177)	23	(1,154)
	(1,236)	8	(1,228)
Total	(1,186)	336	(850)