

Dods Group Limited

Annual report and financial statements

For the year ended 31 March 2022

Company number: 01262354

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Dods Group Limited

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Dods Group Limited

Company information

Directors

D Beck (appointed 30 November 2021)
S Bullock (resigned 30 November 2021)
C Conlon
M Ibrahim
P Machray (appointed 30 November 2021)

Company secretary

Fieldfisher Secretaries Limited
Riverbank House
2 Swan Lane
London
EC4R 3TT

Company number

01262354

Registered office

11th Floor, The Shard
32 London Bridge Street
London
SE1 9SG

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Dods Group Limited

Strategic report

For the year ended 31 March 2022

Principal activity, review of the business and future developments

The principal activities of the Company are publishing, organising events and training, government monitoring and management in relation to political information and intelligence for public affairs professionals. The Company also operates an overseas branch in Belgium.

A key performance indicator for the Company is revenue which increased to £14,590,949 from £12,905,371 as a result of a resumption of face-to-face events revenue following the lifting of Covid restrictions. Gross profit increased to £5,977,349 from £4,456,308, increasing gross margin to 41% (2021: 35%) as a result of the increased revenue and tight cost control.

The Company's administration costs fell to £6,913,313 from £7,114,780 as a result of tight cost control, including a reduction in the number of employees during year. During the year, the Company participated in the UK Coronavirus Job Retention Scheme receiving £39,034 (2021: £597,278). Non-recurring expenses of £878,098 were incurred, relating to the write off of £746,707 of intangible software fixed assets and £131,391 of redundancy costs. This compares to £438,761 of non-recurring expenses in the prior year, of which £388,761 were redundancy costs and £50,000 of other non-recurring costs.

The Company's operating loss for the year was reduced to £1,797,950 (2021: £2,472,615), despite asset write offs and a reduced level of UK Coronavirus Job Retention Scheme support in the year. Excluding these items, Adjusted Operating losses are reduced to £1,090,277 from £3,069,893 in the prior year.

Loss after taxation of £1,016,953 (2021: £2,147,585).

The Company had net liabilities of £2,929,412 at 31 March 2022 (2021: net liabilities of £1,912,459). This is mainly due to higher current liabilities of £12,659,149 (2021: £11,505,776). Fixed assets increased to £1,528,299 (2021: £1,312,511) despite the write off of intangible software fixed assets noted above. Current assets remain stable at £8,201,438 (2021: £8,280,766).

The directors do not expect the nature of the business to change significantly in the foreseeable future.

During the year ended 31 March 2022, a dividend of £nil (2021: £nil) was paid, and at the year end the directors did not propose a dividend.

Principal risks

The following key elements comprise the present internal control environment which has been designed to identify, evaluate and manage, rather than eliminate, the risks faced by the Company in seeking to achieve its business objectives. The process is communicated through various operating risk management and accounting policies and procedures:

- an organisation structure with clear lines of responsibility and delegated levels of authority;
- a comprehensive financial planning, control, budgeting and rolling forecast system, including quarterly risk and opportunity assessment reviews; and
- a flat management structure which facilitates open and timely communication.

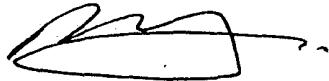
Dods Group Limited

Strategic report (continued) **For the year ended 31 March 2022**

The Board has identified the following principal risks to which the Company is exposed:

- the reliance on the skills and knowledge of its staff to maintain its market position;
- the political environment and cycle in the UK, Paris and Brussels;
- the fact that the Company operates in a highly competitive and constantly changing market;
- our dependence on information technology systems and technological change;
- Other risks are Credit risk, Liquidity risk and FX risk which are mentioned in the Directors' report on page 5.

On behalf of the Board



Philip Machray
Director
31 August 2022

Dods Group Limited

Directors' report

For the year ended 31 March 2022

The directors present their report and the audited financial statements for the year ended 31 March 2022.

Directors

The directors who served during the year and up to the date of signing the financial statements are listed on page 1.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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. 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.

Going concern

The directors have, at the date of approving these financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the Company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due in the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Dods Group Limited

Directors' report (continued)

For the year ended 31 March 2022

Financial risk management

Foreign currency risk

The Company has an exposure to foreign currencies due to both selling and purchasing in currencies other than Sterling. The risk is managed by matching foreign cash holdings against future expenditure.

Credit and cash flow risk

The Company's credit risk is primarily from its trade debtors. The risk is reduced by the number of long-established customers and an emphasis on good credit management.

Liquidity risk

The Company maintains its high liquidity by effective management of its current assets and liabilities.

Employee Involvement

The Company aims to attract, retain and motivate its employees by encouraging and rewarding high performance, both on an individual and team contribution basis, through competitive remuneration and incentive arrangements.

Political and Charitable donations

During the year, the Company made charitable donations totalling £250 (2021: £nil). During the year, the Company made no political donations (2021: £nil).

Issue of Shares

During the year there was no issue of new shares (2021: nil).

Auditor

Grant Thornton UK LLP was the Company's auditor throughout the period and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Subsequent Events

There were no subsequent events from the balance sheet date to the date of signing of the annual report.

On behalf of the Board



Philip Machray
Director
31 August 2022

Dods Group Limited

Independent auditor's report to the members of Dods Group Limited

Opinion

We have audited the financial statements of Dods Group Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss 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 'Auditor's 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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

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.

Dods Group Limited

Independent auditor's report to the members of Dods Group Limited (continued)

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Dods Group Limited

Independent auditor's report to the members of Dods Group Limited (continued)

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and sector in which they operate. We determined that the following laws and regulations were most significant: International accounting standards, Companies Act 2006 and taxation laws.
- We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to the management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included;
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;

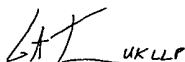
Dods Group Limited

Independent auditor's report to the members of Dods Group Limited (continued)

- Challenging assumptions and judgments made by management in its significant accounting estimates;
- Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item; and
- Held discussions with those outside the finance team including, human resources and key management personnel.
- The engagement partner assessed that the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations through the following:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation; and
 - Knowledge of the industry in which the client operates.
- The engagement team also engaged with tax specialists in the UK to address the risk of non-compliance relating to tax legislation.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Handwritten signature of Sergio Cardoso in black ink, followed by the text "UK LLP" in a smaller font.

Sergio Cardoso FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

31 August 2022

Dods Group Limited

Statement of comprehensive income For the year ended 31 March 2022

		2022 £	2021 (Restated*) £
Turnover	4	14,590,949	12,905,371
Cost of sales		(8,613,600)	(8,449,063)
Gross profit		5,977,349	4,456,308
Administrative expenses		(6,913,313)	(7,114,780)
Other operating income	5	39,034	597,278
Non-recurring expenses	6	(878,098)	(438,761)
Foreign exchange (loss)/gain		(22,922)	27,340
Operating loss	7	(1,797,950)	(2,472,615)
Interest receivable and similar income	10	116,002	-
Interest payable and similar expenses	11	(536)	(25,494)
Loss on ordinary activities before taxation		(1,682,484)	(2,498,109)
Tax on loss on ordinary activities	12	665,531	350,524
Loss for the financial year		(1,016,953)	(2,147,585)

All amounts relate to continuing activities.

* Prior year Cost of sales and Administrative expenses have been restated to correctly include certain direct and sales costs within Cost of sales. The impact of the change on 2021 is to reduce Gross Profit by £6,852,686, from £11,308,994 to £4,456,308. This restatement has no impact on the Operating loss or the Loss for the financial year.

There are no items of other comprehensive income for the current or prior financial years. Therefore, no separate Statement of other comprehensive income has been prepared.

The notes on pages 13 to 24 form part of these financial statements.

Dods Group Limited**Statement of financial position**
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible fixed assets	13	1,414,699	1,227,045
Tangible fixed assets	14	113,600	85,506
Fixed asset investments	15	-	-
		1,528,299	1,312,551
Current assets			
Debtors	16	7,062,142	5,538,549
Cash at bank and in hand		1,139,296	2,742,217
		8,201,438	8,280,766
Creditors: Amounts falling due within one year	17	(12,659,149)	(11,505,776)
Net current liabilities		(4,457,711)	(3,225,010)
Total assets less current liabilities		(2,929,412)	(1,912,459)
Net liabilities		(2,929,412)	(1,912,459)
Capital and reserves			
Called-up share capital	19	1	1
Profit and loss account		(2,929,413)	(1,912,460)
Equity shareholders' funds		(2,929,412)	(1,912,459)

The notes on pages 13 to 24 form part of these financial statements.

These financial statements were approved by the Board of Directors on 31 August 2022 and were signed on its behalf by:



Philip Machray
Director

Registered number: 01262354

Dods Group Limited

Statement of changes in equity For the year ended 31 March 2022

	Share capital £	Retained earnings £	Total equity £
At 1 April 2020	1	235,125	235,126
Loss for the year	-	(2,147,585)	(2,147,585)
At 31 March 2021	1	(1,912,460)	(1,912,459)
Loss for the year	-	(1,016,953)	(1,016,953)
At 31 March 2022	1	(2,929,413)	(2,929,412)

The notes on pages 13 to 24 form part of these financial statements.

Dods Group Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Company information

Dods Group Limited is a company limited by shares, incorporated in England and Wales. Its registered office is 11th Floor, The Shard, 32 London Street, London, SE1 9SG.

2. Statement of significant accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS102 requires management to exercise judgement in applying the Company's accounting policies (see note 3).

b) Going concern

The directors have at the date of approving these financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the Company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due in the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

c) Basis of consolidation

These financial statements contain information about the Company as an individual and do not contain consolidated financial information as the parent undertaking of a group. The Company is exempt under the special provisions of section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

d) Turnover and revenue recognition

Turnover represents the amounts derived from the provision of goods and services to third party customers, net of trade discounts and VAT. Turnover in respect of subscription-based services, including online services, is recognised on a straight-line basis over the period of the subscription. Turnover in respect of advertising services is recognised upon publication. Turnover in respect of conferences and seminars is recognised when the event is held. Where publications are printed and distributed in more than one volume, revenue is deferred until the complete publication has been delivered. Turnover in respect of internet services is recognised on a straight-line basis over the period of the subscription. Turnover in all other respects is recognised when the goods or services are delivered to the customer.

e) Fixed assets and depreciation

Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

Computer equipment and software	3 years straight line
Office equipment	3 years straight line

Dods Group Limited

Notes to the financial statements (continued) For the year ended 31 March 2022

2. Statement of significant accounting policies (continued)

f) Intangible fixed assets and amortisation

Intangible assets acquired by the Company are stated at cost less accumulated amortisation and impairment losses. The intangible assets are amortised over the following useful economic lives:

Goodwill	15 years straight line
Publishing rights	20 – 75 years straight line
Subscriber rights	6 years straight line
Trademark	20 years straight line
Software and other capitalised costs	2 – 6 years straight line

Internally generated costs reflect directly attributable salaries of staff employed for the production of new software and websites within the Company. These costs are capitalised into software within intangible fixed assets and amortised at 2 – 6 years straight line. If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations. Other capitalised costs reflect costs in respect of new software and websites within the Company.

g) Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception: deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

h) Pension costs

The pensions schemes operated by the Company are defined contribution schemes. Contributions into these personal pension plans are charged to the Statement of comprehensive income when payable.

i) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Statement of comprehensive income.

j) Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

k) Leases

Operating lease rentals are charged to the Statement of comprehensive income on a straight-line basis over the year of the lease.

Dods Group Limited

Notes to the financial statements (continued) For the year ended 31 March 2022

2. Statement of significant accounting policies (continued)

l) Cash flow

Under the provisions of Financial Reporting Standard 102, the Company has not prepared a cash flow statement because its ultimate parent company, Merit Group plc (formerly Dods Group plc), has prepared consolidated accounts, which include the results of the Company for the period, and which are available to the public.

m) Government grants

The Company recognises government grants under the accruals model, which requires that the grant be recognised as "revenue based". In the financial statements this is recognised in other operating income. Grants which are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs or unfulfilled conditions and other contingencies attached to the government assistance, shall be recognised in other operating income in the period in which it becomes available.

n) Other disclosure exemptions

The Company has also adopted the following disclosure exemptions:

- (i) certain financial instruments disclosures; and
- (ii) the requirement to disclose key management personnel compensation.

3. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

a) Going concern

Management applies judgement when determining to apply the going concern basis for preparation of the financial statements. As the Company is assured of financial support from the ultimate parent company, the Company is under the assumption that it will be able to meet all its short term financial needs for the foreseeable future.

b) Intangible assets

Management recognises an intangible asset when it is identifiable and has no physical substance, the Company has full control over the asset and future economic benefits are expected. An intangible asset is deemed by management to exist when it can be identified as being separable or arises from contractual or other legal rights.

c) Useful economic lives of tangible and intangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See notes 13 and 14 for the carrying amount of the intangible and tangible assets and note 2 for the useful economic lives for each class of assets.

Dods Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

d) Capitalisation of internal costs and assessment of their future recoverability.

Management has capitalised costs incurred in relation to the development of internally generated intangible assets. The main area where costs have been capitalised has been summarised below:

Development of software

The salaries of staff employed in the development of new software within the Company have been capitalised into software, within other intangible assets. These development costs are then expensed over the estimated useful life of the software, being 2-10 years. Management estimates the extent to which internally generated intangibles will be recovered by assessing future earnings. This is based on past revenue performance and the likelihood of future releases.

e) Recoverability of trade receivables

Trade receivables are reflected net of estimated provisions for doubtful accounts. This provision is based on the ageing of receivable balances and historical experience.

f) Deferred tax

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income. Details of deferred tax are given in note 18.

g) Classification of non-recurring costs

Expenses are recognised as non-recurring when they reflect one-off costs that are not part of the ongoing operations of the Company. Management judgement is required in determining whether expenses are non-recurring in nature. Details of items recognised as non-recurring in the year are disclosed in Note 6.

4. Turnover

The following table provides an analysis of the revenue from the provision of services by geographical market.

	2022	2021
UK	75%	70%
Rest of world	25%	30%
	100%	100%

Dods Group Limited

Notes to the financial statements (continued) For the year ended 31 March 2022

5. Other operating income

During the year the Company participated in the UK Government's Coronavirus Job Retention Scheme (CJRS). The Company has accounted for this scheme using the accrual model; all amounts received are recognised as other operating income in the Statement of comprehensive income. There are no unfulfilled conditions and other contingencies attaching to the government assistance.

6. Non-recurring items

	2022 £	2021 £
Asset write off	746,707	-
People-related costs	131,391	388,761
Other non-recurring costs	-	50,000
	878,098	438,761

During the year, the Company wrote off £746,707 (2021: £nil) of intangible software fixed assets where management determined that neither the future expected earnings from those assets nor their estimated residual value supported any carrying value.

Current and prior year people-related costs relate to redundancies under a Company initiative to appropriately restructure the business and reduce costs.

For the prior year, other non-recurring costs relate to one-off costs regarding an external review in controls of the Company.

7. Operating loss

Operating loss is stated at after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	61,299	52,554
Amortisation of goodwill and intangible assets	299,749	748,775
Non-recurring items (see note 6)	878,098	438,761
Operating lease expense	48,912	47,478
Foreign exchange loss/(gain)	23,922	(27,340)

Auditor's remuneration was borne by the parent company and these amounts are disclosed in the annual report and accounts of Merit Group plc.

Dods Group Limited

Notes to the financial statements (continued) For the year ended 31 March 2022

8. Staff costs

The average number of persons employed by the Company (including executive directors) during the year within each category was:

	2022 Number	2021 Number
Editorial and production staff	92	98
Sales and marketing staff	29	35
Managerial and administration staff	22	22
	143	155

	2022 £	2021 (Restated*) £
Wages and salaries	6,304,165	6,684,916
Social security costs	759,989	834,225
Pension and other costs	190,149	121,894
	7,254,303	7,641,035

*Prior year staff costs have been restated to include £542,577 of bonuses and commissions, which were omitted from the wages and salaries disclosure in error in the 2021 financial statements.

9. Directors' remuneration

The directors have received no remuneration for their services to the Company during the year (2021: £nil). The Directors receive remuneration from other companies in the Group and these amounts are disclosed in the annual report and accounts of Merit Group plc.

10. Interest receivable and similar income

	2022 £	2021 £
Loan interest receivable	116,002	-
	116,002	-

Loan interest receivable is in relation to amounts owed by group undertakings. See Note 16 for further details.

Dods Group Limited

Notes to the financial statements (continued) For the year ended 31 March 2022

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	536	25,494
	536	25,494

12. Taxation

	2022 £	2021 £
Current tax		
Current tax on income for the year at 19% (2021: 19%)	-	-
Adjustments in respect of previous periods	-	(3)
Overseas tax suffered	39,380	24,172
Total current tax charge	39,380	24,169
Deferred tax credit (see note 18)	(704,911)	(374,693)
Total income tax credit	(665,531)	(350,524)

The tax charge for the year differs from the standard rate of corporation tax in the UK of 19% (2021: 19%). A reconciliation is provided in the table below:

	2022 £	2021 £
Loss on ordinary activities before tax	(1,682,484)	(2,498,109)
Notional tax credit at standard rate of 19% (2021: 19%)	(319,672)	(474,641)
Effects of:		
Non-qualifying depreciation	6,594	69,065
Expenses not deductible for tax purposes	4,540	106,362
Adjustments to brought forward values	(110,236)	(70,889)
Effect of deferred tax rate changes on realisation and recognition	(299,207)	-
Group relief claimed	13,071	-
Foreign taxation paid	39,379	19,579
Total income tax credit	(665,531)	(350,524)

Dods Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

12. Taxation

At the balance sheet date, the Company has tax losses carried forward of £4,620,730 (2021: £2,397,597) available for offset against future profits.

In the Spring Budget on 3 March 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000.

As at the balance sheet date, the increase in rates has been substantively enacted and therefore deferred taxation has been recognised at 25% as it is expected that the underlying timing differences will reverse after 1 April 2023.

13. Intangible fixed assets

	Software £	Goodwill £	Trademarks, Publishing rights £	Subscriber rights £	Total £
Cost					
At 1 April 2021	4,761,910	5,673,846	183,954	309,000	10,928,710
Additions – internal	1,234,110	-	-	-	1,234,110
Asset write off	(746,707)	-	-	-	(746,707)
At 31 March 2022	5,249,313	5,673,846	183,954	309,000	11,416,113
At 1 April 2021	3,764,828	5,501,415	126,422	309,000	9,701,665
Charge for the year	118,123	172,431	9,195	-	299,749
At 31 March 2022	3,882,951	5,673,846	135,617	309,000	10,001,414
At 31 March 2021	997,082	172,431	57,532	-	1,227,045
At 31 March 2022	1,366,362	-	48,337	-	1,414,699

Dods Group Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2022**14. Tangible fixed assets**

	Computer equipment £	Office equipment £	Total £
Cost			
At 1 April 2021	302,104	28,442	330,546
Additions	89,323	-	89,323
Disposals	(11,327)	-	(11,327)
At 31 March 2022	380,100	28,442	408,542
Accumulated depreciation			
At 1 April 2021	218,110	26,930	245,040
Charge for the year	60,323	906	61,229
Disposals	(11,327)	-	(11,327)
At 31 March 2022	267,106	27,836	294,942
Net book value			
At 31 March 2021	83,994	1,512	85,506
At 31 March 2022	112,994	606	113,600

15. Fixed asset investments

	2022 £	2021 £
Investment in subsidiary undertakings	-	-
	-	-

The Company's subsidiary undertakings are as follows:

Company	Activity	Ordinary Shares % holding	Country of Registration
European Parliamentary Communications Services SPRL ¹	Dormant	100	Belgium
Monitoring Services Limited ²	Active	100	England & Wales

¹Registered address: Boulevard Charlemagne 1, 1041 Bruxelles, Belgium.

²Registered address: 11th Floor, The Shard, 32 London Bridge Street, London SE1 9SG.

Dods Group Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2022**16. Debtors**

	2022 £	2021 £
Trade debtors	2,119,852	1,411,445
Other debtors	52,712	32,590
Amount owed by group undertakings	3,162,331	3,201,724
Prepayments and accrued income	480,550	351,001
Corporation tax	-	3
Deferred tax asset (see note 18)	1,246,697	541,786
	7,062,142	5,538,549

Within amounts owed by group undertakings is £2,064,141 due from Le Trombinoscope SAS which accrues interest at 6% per annum. All other amounts owed by group accrue no interest. All amounts owed by group undertakings are payable on demand.

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	71,056	985,528
Amounts owed to group undertakings	5,084,563	3,482,468
Other taxes and social security	1,033,314	1,343,053
Other creditors	569,040	458,382
Accruals and deferred income	5,901,176	5,236,345
	12,659,149	11,505,776

Amounts owed to group undertakings carry no interest and are repayable on demand. On a net basis, the amounts owed to group undertakings overall are £1,922,232 (2021: £280,744). The Company will be able to fulfil this with support from its ultimate parent company.

Dods Group Limited

Notes to the financial statements (continued) For the year ended 31 March 2022

18. Deferred taxation

	2022 £	2021 £
Deferred tax asset brought forward	541,786	167,093
Credit to the profit and loss account	704,911	374,693
Deferred tax asset carried forward	1,246,697	541,786

The asset for deferred taxation consists of the tax effect of timing differences in respect of:

Fixed asset timing differences	82,319	79,034
Other timing differences	9,194	7,209
Tax losses carried forward	1,155,184	455,543
Deferred tax asset carried forward	1,246,697	541,786

At the balance sheet date, the Company has a total carried forward tax loss of £4,620,730 (2021: £2,397,597) available to offset against future taxable profits. Of this, the Company has recognised a deferred tax asset of £1,155,184 (2021: £455,543) in respect of the full £4,620,730 carried forward tax loss, as it is probable that these assets will be recovered against the taxable profits over the foreseeable period.

19. Called-up share capital

	2022 £	2021 £
20 Ordinary shares of £0.05 each (2021: 20)	1	1

20. Operating lease commitments

Land and buildings	2022 £	2021 £
Within one year	48,912	48,912
Between two and five years	244,561	244,561
After five years	85,597	134,509
	379,070	427,982

Dods Group Limited

Notes to the financial statements (continued) **For the year ended 31 March 2022**

21. Related party transactions

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Related Party Disclosures Section 33 (33.1A) from disclosing transactions which occurred within the Group.

During the year, an amount of £62,945 (2021: £69,493) was payable to Social 360 Limited, an Associate of the parent company, Merit Group plc, in relation to profit-share for monitoring services provided. At 31 March 2022, £16,973 (2021: £nil) of this balance was outstanding.

22. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is Merit Group plc, which is the smallest and largest group of undertakings to consolidate these financial statements. The consolidated financial statements can be obtained from the following address: 11th Floor, The Shard, 32 London Bridge Street, SE1 9SG.