

Registered number: 02781951

**1HQ LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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1HQ Limited
Directors' Report and Financial Statements
For The Year Ended 31 March 2023

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1HQ Limited
Company Information
For The Year Ended 31 March 2023

Directors	M B Artus J R Sandom C D Skinner (appointed 03/05/2023) M B Yates (appointed 20/10/2022, resigned 08/12/2023) R E Hester (resigned 14/03/2023) C M Hille (resigned 17/10/2023)
Secretary	Ceuta Holdings Limited
Company Number	02781951
Registered Office	Hill House 41 Richmond Hill Bournemouth BH2 6HS
Auditors	Azets Audit Services Chartered Accountants Carnac Place Cams Hall Estate Fareham PO16 8UY

1HQ Limited
Directors' Report For The Year Ended 31 March 2023

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

Review of the Business

The loss for the year, after taxation, amounted to £561,000 (2022 - loss £68,000).

The Directors do not recommend the payment of a dividend (2022 - £Nil).

Political Donations and Expenditure

The Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the period (2022 - £Nil).

Directors

The Directors who held office during the year were as follows:

M B Yates Appointed 20/10/2022 Resigned 08/12/2023

R E Hester Resigned 14/03/2023

M B Artus

C M Hille Resigned 17/10/2023

J R Sandom

Post Balance Sheet Events

On 12th July 2023, Ceuta Holdings Limited issued 3,000 D2 ordinary shares – 2,000 to five senior members of the management team, one of whom is a Director of 1HQ Limited and 1,000 as part of an EBT scheme – designed to accelerate the growth of the Group. The shares have the right to participate in the proceeds of sale of the Group once they exceed £70m.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the 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). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to Auditors

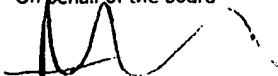
In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they 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 auditors are aware of that information.

Independent Auditors

The Auditors, Azets Audit Services, of Carnac Place, Cams Hall Estate, Fareham PO16 8UY, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting. KPMG resigned on 24th August 2023 and the Directors appointed Azets Audit Services on 30th August 2023.

On behalf of the board



M B Artus
Director

Date:

25/01/24

Independent Auditor's Report to the Members of 1HQ Limited

Qualified Opinion on financial statements

We have audited the financial statements of 1HQ Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the matters described in the Basis for Qualified Opinion section, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2023 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 qualified opinion

We were not appointed as auditor of the company until August 2023, in respect of reporting on the financial statements for the year ended 31 March 2023. The audit opinion expressed by the predecessor auditor on the financial statements for the year ended 31 March 2022 was qualified on the grounds that they were unable to obtain sufficient and appropriate audit evidence over the existence and completeness of turnover of £2,003,398, where the provision of services are recognised as those services are delivered to the customer. Any adjustments required in the year to 31 March 2022 would have had a consequential effect on the company's profit or loss for that year, and accrued revenues and trade receivables included in the balance sheet as at 31 March 2022. Consequently, we were unable to determine whether any adjustment to these amounts at 31 March 2022 was necessary or whether there was any consequential effect on turnover for the year ended 31 March 2023.

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

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

Independent Auditor's Report to the Members of 1HQ Limited

Matters on Which We Are Required to Report by Exception

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

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 or returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- 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 bias and 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 indicators of potential 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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (continued)
to the Members of 1HQ 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 that 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.

Azets Audit Services

Zara Hogg FCA BA(Hons)

Senior Statutory Auditor

for and on behalf of Azets Audit Services,

Carnac Place

Cams Hall Estate

Fareham

PO16 8UY

Date: *31 January 2024*

1HQ Limited
Profit and Loss Account
For The Year Ended 31 March 2023

		2023	2022
	Notes	£000	£000
TURNOVER	3	6,096	6,258
Cost of sales		(5,111)	(4,906)
GROSS PROFIT		985	1,352
Administrative expenses		(1,607)	(1,449)
OPERATING LOSS		(621)	(97)
Other interest receivable and similar income	8	31	4
LOSS BEFORE TAXATION		(590)	(93)
Tax on Loss	9	29	24
LOSS AFTER TAXATION BEING LOSS FOR THE FINANCIAL YEAR		(561)	(68)

The notes on pages 9 to 17 form part of these financial statements.

**1HQ Limited
Balance Sheet
As At 31 March 2023**

	Notes	2023 £000	2022 £000
FIXED ASSETS			
Intangible Assets	10	39	30
Tangible Assets	11	115	125
Investments	12	<u>29</u>	<u>29</u>
		183	184
CURRENT ASSETS			
Debtors	13	4,580	4,119
Cash at bank and in hand		<u>531</u>	<u>1,329</u>
		5,111	5,448
Creditors: Amounts Falling Due Within One Year	14	<u>(1,024)</u>	<u>(801)</u>
NET CURRENT ASSETS (LIABILITIES)		4,087	4,647
TOTAL ASSETS LESS CURRENT LIABILITIES		4,270	4,831
NET ASSETS		4,270	4,831
CAPITAL AND RESERVES			
Called up share capital	15	17	17
Capital redemption reserve		6	6
Profit and Loss Account		<u>4,247</u>	<u>4,808</u>
SHAREHOLDERS' FUNDS		4,270	4,831

These financial statements were approved and authorized for issue by the board and were signed on its behalf on



M B Artus
Director

25/01/24

The notes on pages 9 to 17 form part of these financial statements.

1HQ Limited
Statement of Changes in Equity
For The Year Ended 31 March 2023

	Share Capital	Capital Redemption	Profit and Loss Account	Total
	£000	£000	£000	£000
As at 1 April 2021	17	6	4,876	4,899
Loss for the year and total comprehensive income	-	-	(68)	(68)
As at 31 March 2022 and 1 April 2022	17	6	4,808	4,831
Loss for the year and total comprehensive income	-	-	(561)	(561)
As at 31 March 2023	17	6	4,247	4,270

The notes on pages 9 to 17 form part of these financial statements.

1HQ Limited
Notes to the Financial Statements
For The Year Ended 31 March 2023

1. General Information

1HQ Limited is a private company, limited by shares, incorporated in England & Wales, registered number 02781951. The registered office is 41 Richmond Hill, Bournemouth, BH2 6HS.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Unless stated otherwise all amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Ceuta Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Ceuta Holdings Limited are available to the public and may be obtained from Hill House, 41 Richmond Hill, Bournemouth, Dorset, BH2 6HS. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS102 in respect of the following disclosures:

Cash Flow Statement and related notes; and Key Management Personnel compensation.

As the consolidated financial statements of ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosure:

The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The following principal accounting policies have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2.2. Going Concern Disclosure

Notwithstanding net current assets of £4,087,000 as at 31 March 2023, a loss for the year then ended of £561,000 and net cash decreased by £798,000, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared a going concern assessment which indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through its access to group wide funding arrangements from its ultimate parent company, Ceuta Holdings Limited, to meet its liabilities as they fall due during the going concern assessment period.

That assessment is dependent on Ceuta Holdings Limited providing additional financial support during the going concern assessment period in the event of reasonably possible downsides. Ceuta Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1HQ Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

2.3. Significant judgements and estimations

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue

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

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

Judgement is required when determining the stage of completion of a contract with customer. Further detail on the method of applying this judgement is included in note 2.4.

Bad debt provision

The Company establishes provisions based on reasonable estimates regarding the likelihood of non-payment by clients. Management estimation is required in deciding to make such provisions and these decisions are based on various factors, such as the age of debts, the Company's previous experience of bad debts, the level of communication with the client and the client's solvency. The amount of such provisions is based on the specific debts due by an individual client and the anticipated likelihood of non-payment.

2.4. Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

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

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

The stage of completion is typically measured with reference to the completion of a physical proportion of the contract work or the completion of a proportion of the service contract. Where services are performed by an indeterminate number of acts over a specified period of time, the Company recognises revenue on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

2.5. Research and Development

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure - 3 years.

Trademark expenditure - 10 years

2.6. Intangible Fixed Assets and Amortisation - Trademarks

Trademarks are assets of the Company. These are amortised to the profit and loss account over its estimated economic life of 10 years.

1HQ Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

2.7. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	20% to 50% straight line
Fixtures & Fittings	20% to 50% straight line

2.8. Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

2.9. Leasing and Hire Purchase Contracts

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.10. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11. Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a Director in the case of a small company, or a public benefit entity concessionary loan.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12. Interest Receivable

Interest income is recognised in the Profit & Loss account using the effective income method.

1HQ Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

3. Turnover

Analysis of turnover by geographical market is as follows:

	2023	2022
	£000	£000
United Kingdom	4,291	4,580
Europe	1,531	1,500
North America	276	178
	<u>6,097</u>	<u>6,258</u>

4. Auditor's Remuneration

Remuneration received by the company's auditors and their associates during the year was as follows:

	2023	2022
	£000	£000
Audit Services		
Audit of the company's financial statements	<u>39</u>	<u>39</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

5. Staff Costs

Staff costs, including Directors' remuneration, were as follows:

	2023	2022
	£000	£000
Wages and salaries	3,262	3,435
Social security costs	450	430
Other pension costs	70	60
	<u>3,782</u>	<u>3,925</u>

6. Average Number of Employees

Average number of employees, including Directors, during the year was: 53 (2022: 54).

7. Directors' remuneration

Information regarding the highest paid Director was as follows:

	2023	2022
	£000	£000
Emoluments	192	207
Company contributions to money purchase pension schemes	1	1
	<u>193</u>	<u>208</u>

During the year retirement benefits were accruing to 1 Director (2022 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £192,000 (2022- £207,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £1,000 (2022 - £1,000).

Certain Directors are remunerated through other Group companies. Their services to 1HQ Limited are considered incidental to their wider role in the Ceuta Group and therefore their remuneration has not been split out.

1HQ Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

8. Interest Receivable and Similar Income

	2023	2022
	£000	£000
Interest receivable and similar Income	<u>31</u>	<u>5</u>

Other interest receivable reflects interest received from group companies in respect of a loan advanced by 1HQ Limited to Ceuta Holdings Limited. Interest is charged at a rate of 4% above base.

9. Tax on Profit

The tax credit on the loss for the year was as follows:

	Tax Rate		2023	2022
	2023	2022	£000	£000
Current tax				
UK Corporation	19.0%	19.0%	-	(17)
Prior period adjustment			(29)	(9)
			<u>(29)</u>	<u>(26)</u>
Deferred Tax				
Deferred taxation			-	2
Total tax charge for the period			<u>(29)</u>	<u>(24)</u>

The actual credit for the year can be reconciled to the expected credit for the year based on the loss and the standard rate of corporation tax as follows:

	2023	2022
	£000	£000
Loss before tax	<u>(590)</u>	<u>(93)</u>
Loss on profit at 19% (UK standard rate)	(112)	(18)
Expenses not deductible for tax purposes	2	1
Capital allowances	(6)	(1)
Deferred tax not recognised	153	-
Prior period adjustment	(29)	(9)
Difference in tax rates	(37)	2
Total tax charge for the period	<u>(29)</u>	<u>(24)</u>

1HQ Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

10. Intangible Assets

	Development Costs £000	Trademarks £000	Total £000
Cost			
As at 1 April 2022	135	17	152
Additions	26	-	26
As at 31 March 2023	161	17	178
Amortisation			
As at 1 April 2022	109	13	122
Provided during the period	14	3	17
As at 31 March 2023	123	16	139
Net Book Value			
As at 31 March 2023	38	1	39
As at 1 April 2022	26	4	30

11. Tangible Assets

	Plant & Machinery £000	Fixtures & Fittings £000	Total £000
Cost			
As at 1 April 2022	955	90	1,045
Additions	76	-	76
As at 31 March 2023	1,031	90	1,121
Depreciation			
As at 1 April 2022	830	90	920
Provided during the period	86	-	86
As at 31 March 2023	916	90	1,006
Net Book Value			
As at 31 March 2023	115	-	115
As at 1 April 2022	125	-	125

12. Investments

	Subsidiaries £000
Cost & Net Book Value	
As at 1 April 2022 & 31 March 2023	29

1HQ Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

Subsidiaries

The company holds 100% of the ordinary share capital in Vibrandt Limited, a dormant company incorporated in the United Kingdom, whose registered address is 41 Richmond Hill, Bournemouth, England, BH2 6HS. There was a carrying value in respect of Vibrandt Limited of £100 in the Company's accounts. Vibrant Limited was dissolved during the year.

The Company has a wholly owned subsidiary based in the USA, 1HQ USA LLC, whose registered address is 31 W. 34th Street, New York, NY. The incorporation did not require any share capital and therefore there is no carrying value for this investment in the Company's accounts.

The Company owns 70% of the ordinary share capital in Collidascope Limited, a dormant company incorporated in the United Kingdom, whose registered address is 41 Richmond Hill, Bournemouth, England, BH2 6HS. There is a carrying value in respect of Collidascope Limited of £70 in the Company's accounts. Post year end the Directors have applied for Collidascope Limited to be dissolved.

The Company has a wholly owned subsidiary based in The Netherlands, 1HQ (NL) BV. The company's registered address is at Prisengracht 769, 1017JZ Amsterdam, Netherlands. There is no carrying value for this investment in the Company's accounts.

The Company also has a wholly owned subsidiary in Singapore, 1HQ Singapore PTE Ltd, whose registered office is at 16 Raffles Quay, #33-03 Hong Leong Building, Singapore (048581). There is a carrying value of £28,822 in the Company's accounts.

The aggregate capital and reserves and the result for the year of the subsidiaries listed below was as follows:

	Aggregate share capital & Reserves	Profit/(loss)
	£000	£000
1HQ USA LLC	631.8	322.8
Collidascope Limited	0.1	Dormant
1HQ (NL) BV	217.3	346.6
1HQ Singapore PTE Ltd	<u>847.9</u>	<u>492.2</u>

13. Debtors

	2023	2022
	£000	£000
Due within one year		
Trade debtors	1,339	1,678
Prepayments and accrued income	672	399
Corporation tax recoverable assets	180	118
Amounts owed by group undertakings	2,389	1,924
	<u>4,580</u>	<u>4,119</u>

14. Creditors: Amounts Falling Due Within One Year

	2023	2022
	£000	£000
Trade creditors	341	288
Other taxes and social security	141	243
Other creditors	142	15
Accruals and deferred income	368	256
Amounts owed to group undertakings	32	-
	<u>1,024</u>	<u>802</u>

1HQ Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

15. Share Capital

	2023	2022
	£000	£000
Allotted, Called up and fully paid	<u>17</u>	<u>17</u>

16. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are as following:

	2023	2022
	£000	£000
Not later than one year	25	185
Later than one year and not later than five years	<u>-</u>	<u>25</u>
	<u>25</u>	<u>210</u>

17. Related Party Disclosures

During the year, Ceuta Holdings was advanced a further sum of £279,000 by the company to take its loan balance to £783,000 (2022 - £504,000) from 1HQ Limited. Interest of £3,000 (2022 - £5,000) was charged on this loan at a rate of 4% above base rate.

During the year, 1HQ Limited paid rent of £185,000 (2022 - £185,000) to the LLS Holdings Pension Fund of which John Sandom is a member.

	Sales to 2023	Sales to 2022	Expenses from 2023	Expenses from 2022
	£000	£000	£000	£000
Bridgethorne Limited	70	7	-	13
Ceuta Healthcare Limited	35	126	18	-
Ceuta Holdings Limited	10	77	396	311
Click Consult Limited	-	-	9	143

1HQ Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

	Amounts owed by related parties	Amounts owed by related parties	Amounts owed to related parties	Amounts owed to related parties
	2023	2022	2023	2022
	£000	£000	£000	£0000
Bridgethorne Limited	28	-	-	-
Ceuta Healthcare Limited	-	-	4	-
Ceuta Holdings Limited - loan account	783	504	27	-
Ceuta Holdings Limited - services	12	-	-	-
Click Consult Limited	11	-	-	-
1HQ USA LLC	1,012	868	-	-
1HQ (NL) BV	212	403	-	-
1HQ Singapore PTE Ltd	331	149	-	-

18. Post balance sheet events

On 12th July 2023, Ceuta Holdings Limited issued 3,000 D2 ordinary shares – 2,000 to five senior members of the management team, one of whom is a Director of 1HQ Limited and 1,000 as part of an EBT scheme – designed to accelerate the growth of the Group. The shares have the right to participate in the proceeds of sale of the Group once they exceed £70m. The Group have assessed that the D2 Shares constitute a share-based payment under Section 26 of FRS 102 and as such have calculated the fair value of the scheme using a Monte-Carlo valuation with appropriate inputs.

19. Controlling Parties

The company's immediate parent undertaking is Ceuta Holdings Limited by virtue of its 70% shareholding.

The ultimate parent undertaking and that of the smallest and largest group for which group accounts are drawn up of which the company is a member is Ceuta Holdings Limited (Incorporated in England & Wales). Its registered office is Hill House, 41 Richmond Hill, Bournemouth, Dorset, BN2 6HS, United Kingdom. No other group accounts contain the results of the company.