

Unaudited Financial Statements
for the Year Ended 31 March 2021
for
Explain Market Research Limited

Haines Watts
Chartered Accountants
17 Queens Lane
Newcastle upon Tyne
Tyne and Wear
NE1 1RN

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for the Year Ended 31 March 2021**

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Explain Market Research Limited

**Company Information
for the Year Ended 31 March 2021**

DIRECTORS:

Mrs K Davis
Mr D J Shiel
Mr S D Slater
Mrs C Riley
Mrs R Crinson
Mrs E L Hopkins
Mrs H Shiel-Redfern

REGISTERED OFFICE:

The Core
Bath Lane
Newcastle Helix
Newcastle Upon Tyne
Tyne and Wear
NE4 5TF

REGISTERED NUMBER:

02880683 (England and Wales)

ACCOUNTANTS:

Haines Watts
Chartered Accountants
17 Queens Lane
Newcastle upon Tyne
Tyne and Wear
NE1 1RN

Explain Market Research Limited (Registered number: 02880683)

**Balance Sheet
31 March 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	5	-		-	
Tangible assets	6	<u>90,053</u>		<u>74,014</u>	
			90,053		74,014
CURRENT ASSETS					
Debtors	7	518,261		635,353	
Cash at bank and in hand		<u>536,175</u>		<u>225,389</u>	
		1,054,436		860,742	
CREDITORS					
Amounts falling due within one year	8	<u>381,721</u>		<u>209,485</u>	
NET CURRENT ASSETS			<u>672,715</u>		<u>651,257</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			762,768		725,271
CREDITORS					
Amounts falling due after more than one year	9		<u>245,833</u>		-
NET ASSETS			<u>516,935</u>		<u>725,271</u>
CAPITAL AND RESERVES					
Called up share capital			2,732		2,732
Share premium			15,445		15,445
Profit and loss account			<u>498,758</u>		<u>707,094</u>
SHAREHOLDERS' FUNDS			<u>516,935</u>		<u>725,271</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 9 November 2021 and were signed on its behalf by:

Mrs K Davis - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

1. STATUTORY INFORMATION

Explain Market Research 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 Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

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" including the provisions of Section 1A "Small Entities" 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.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of goods and services provided to customers.

The company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the company.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill recognised at acquisition is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over its useful life, which is estimated to be five years.

In the opinion of the directors this represents the period over which the goodwill is effective.

Other intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of the intangible assets less their residual values over their useful economic life, using the straight line method.

The intangible assets are amortised over the following useful economic lives:

Development costs - 2 years

Fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Land and buildings	- 10% on cost and in accordance with length of lease
Plant and machinery etc	- 100% on cost, 25% on cost and 15% on reducing balance

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

3. ACCOUNTING POLICIES - continued

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 accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments, unless it is considered immaterial.

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 and other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Current and deferred tax assets and liabilities are not discounted.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is also written off as incurred unless the directors are satisfied as to the technical, commercial and financial viability of individual projects.

Leasing

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

Employee benefits

Short term employee benefits are recognised as an expense in the period in which they are incurred.

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 50 (2020 - 62) .

5. INTANGIBLE FIXED ASSETS

	Goodwill £	Other intangible assets £	Totals £
COST			
At 1 April 2020 and 31 March 2021	<u>7,500</u>	<u>10,073</u>	<u>17,573</u>
AMORTISATION			
At 1 April 2020 and 31 March 2021	<u>7,500</u>	<u>10,073</u>	<u>17,573</u>
NET BOOK VALUE			
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

6. **TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 April 2020	69,489	340,041	409,530
Additions	-	52,240	52,240
Disposals	-	(37,461)	(37,461)
At 31 March 2021	<u>69,489</u>	<u>354,820</u>	<u>424,309</u>
DEPRECIATION			
At 1 April 2020	62,721	272,795	335,516
Charge for year	821	19,379	20,200
Eliminated on disposal	-	(21,460)	(21,460)
At 31 March 2021	<u>63,542</u>	<u>270,714</u>	<u>334,256</u>
NET BOOK VALUE			
At 31 March 2021	<u>5,947</u>	<u>84,106</u>	<u>90,053</u>
At 31 March 2020	<u>6,768</u>	<u>67,246</u>	<u>74,014</u>

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade debtors	247,167	143,333
Amounts owed by group undertakings	235,808	478,150
Other debtors	<u>35,286</u>	<u>13,870</u>
	<u>518,261</u>	<u>635,353</u>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Bank loans and overdrafts	12,974	7,950
Trade creditors	49,610	17,139
Taxation and social security	199,803	98,878
Other creditors	<u>119,334</u>	<u>85,518</u>
	<u>381,721</u>	<u>209,485</u>

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Bank loans	<u>245,833</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>45,833</u>	<u>-</u>

10. **LEASING AGREEMENTS**

At 31 March 2021, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £210,843 (2020 - £260,883).

11. **ULTIMATE CONTROLLING PARTY**

The parent company of the entity is Explain Holdings Limited.

During the year the company voted dividends of £448,000 to Explain Holdings Limited to facilitate the payment of proceeds to former shareholders following the management buyout that took place in December 2019.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.