

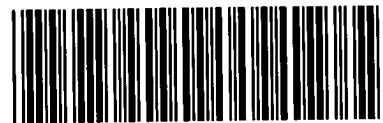
Registered number: 03096503

**CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT
COMMUNICATIONS GROUP LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

COMPANY INFORMATION

Directors	R Bell (resigned 14 October 2022) M Camplin A Challoner (resigned 14 October 2022) S Clough C Daruvalla R George J Gordon A Howard (resigned 14 October 2022) A Kennedy (resigned 18 July 2022) S Pomeroy
Registered number	03096503
Registered office	8-10 Mansion House Place London EC4N 8BJ
Independent auditor	James Cowper Kreston Audit Chartered Accountants and Statutory Auditor 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

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CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The Directors present their strategic report of the Group for the year ended 31 March 2023.

On 14 October 2022, Cavendish Consulting Limited (formerly Built Environment Communications Group Limited), the holding company of a group of public affairs and political communications consultancies and a social media management technology company, was acquired by Cavendish Consulting Group Limited (formerly BECG Limited).

The Directors have elected to present the financial statements of Cavendish Consulting Limited as a consolidated group.

Business review

In the year to 31 March 2023, the Cavendish Consulting Limited group consolidated its position as a market leading public affairs and political communications consultancy, enjoying 11% organic fee growth, strengthening its fee-earner teams and winning several industry awards. Client fees billed were £11,733,714 (2022: £10,531,139) and earnings before interest, tax, depreciation, amortisation and exceptional items were £1,526,047 (2022: £1,445,503).

On 5 September 2022, the Company acquired the remaining 20% minority interest in Crowd Technologies Limited from its founder. In February 2023 'X' (formerly Twitter) announced changes to its partner programme, as a result of which the SoCrowd social media management platform offered by Crowd Technologies Limited ceased to be viable. The 63 clients were referred to an erstwhile competitor and, on 14 June 2023, SoCrowd was withdrawn from the market. Client-facing software IP with a net book value of £799,333 has been written off.

This IP write-off of £799,333, acquisition and restructuring costs of £311,245, amortisation of intangible assets and goodwill of £467,777 and debt interest of £115,687 took the group from an operating profit to a loss before tax of £254,289.

Principal risks and uncertainties

The Board sees the principal risks and uncertainties facing the Group as follows:

Financial – the Group is price competitive and delivers its services at standard industry profit margins. Clients are typically blue-chip companies with a significant UK base, presenting minimal credit and foreign exchange risk and adhering to payment terms.

Pre-tax profits are the principal driver of liquidity and a proxy for cash generation. The Group's exposure to the overall state of the UK economy and market sector fluctuations is managed through sector diversification and growing its client base. A group revolving credit facility is in place to fund the working capital cycle and cash flow fluctuations.

People – to deliver its services the Group requires high quality consultants across the political spectrum and at all levels. Recruitment, retention, training and employee wellbeing are high priorities. Retention is helped by 18 key employees being shareholders in the Company's parent company, Cavendish Consulting Group Limited, which is 100% employee owned.

Political – political change brings new public policy and with it uncertainty and risk in terms of the impact on the sectors in which the Group operates and the services it offers. However housing, Fast-Moving Consumer Goods (FMCG) and renewable energy are welcome constants, and political change creates the opportunity for the Group to deliver advisory services to clients affected by it.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Operational – the Group collects and uses personal data, delivers services that may include the use of AI, and faces the usual cybersecurity and business continuity threats. The Group invests in cloud-based technology infrastructure to manage its IT and business continuity risks, and has in place processes, policies, people and training to manage key compliance risks including the use of AI, the General Data Protection Regulation, the Bribery Act and the regulatory requirements of the public affairs sector including the PRCA Professional Charter and Public Affairs Code.

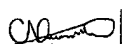
Financial key performance indicators

In June 2023, the Group rebranded and restructured to create and offer fully integrated public affairs, corporate communications, digital engagement and creative services under the brand 'Cavendish'. In the opinion of the Directors this simplification is proving beneficial in terms of the reputation and market positioning of the Group and in the service it is able to offer to clients.

Key performance indicators for the Group are as follows:

	Year to March 2023	Year to March 2022	Change
Fee income	£11.73m	£10.53m	11%
Recharges to clients	£1.24m	£0.98m	27%
Technology licence income	£0.56m	£0.69m	-19%
Average fee-earner headcount	97	90	7%
Fee income per fee-earner	£120,966	£117,013	3%
Fee-earner salary costs as a % of fee income	52.5%	51.8%	1%
Other costs as a % of fee income	35.2%	35.3%	0%
Profit before exceptional items and amortisation of goodwill	£1.35m	£1.28m	5%
Profit before exceptionals and amortisation as % of fee income	11.5%	12.2%	-1%

This report was approved by the board and signed on its behalf.



.....
C Daruvalla
Director

Date: 14 December 2023

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP 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.

Directors

The Directors who served during the year were:

R Bell (resigned 14 October 2022)
M Camplin
A Challoner (resigned 14 October 2022)
S Clough
C Daruvalla
R George
J Gordon
A Howard (resigned 14 October 2022)
A Kennedy (resigned 18 July 2022)
S Pomeroy

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Group and Company's principal activity is public affairs, government relations, corporate communications, marketing and digital consultancy.

Results and dividends

The loss for the year, after taxation, amounted to £273,345 (2022 - profit £947,524).

During the year ended 31 March 2023, the Company paid dividends of £650,235 (2022: £100,000).

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Matters covered in the Group Strategic Report

Certain matters are disclosed in the Strategic Report that would otherwise be disclosed in the Directors' Report.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

On 27 June 2023 the Company filed a change of name resolution at Companies House.

Auditor

The auditor, James Cowper Kreston Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
C Daruvalla
Director

Date: 14 December 2023

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAVENDISH CONSULTING LIMITED
(FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)**

Opinion

We have audited the financial statements of Cavendish Consulting Limited (formerly Built Environment Communications Group Limited) (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAVENDISH CONSULTING LIMITED
(FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED) (CONTINUED)**

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAVENDISH CONSULTING LIMITED
(FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED) (CONTINUED)**

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 Group financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

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

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.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAVENDISH CONSULTING LIMITED
(FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED) (CONTINUED)**

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.



Sue Staunton MA FCA CF (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

Date: 14 December 2023

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover	4	13,541,903	12,198,995
Cost of sales		(7,970,889)	(6,818,648)
Gross profit		5,571,014	5,380,347
Administrative expenses		(4,044,967)	(3,934,844)
Depreciation and amortisation	5	(554,076)	(482,236)
Exceptional expenditure	13	(1,110,578)	-
Operating (loss)/profit	5	(138,607)	963,267
Interest receivable and similar income	9	5	-
Interest payable and similar expenses	10	(115,687)	(17,562)
(Loss)/profit before taxation		(254,289)	945,705
Tax on (loss)/profit	11	(19,056)	(63,737)
(Loss)/profit for the financial year		(273,345)	881,968
(Loss)/profit for the year attributable to:			
Non-controlling interests		-	(65,556)
Owners of the parent Company		(273,345)	947,524
		(273,345)	881,968
Total comprehensive income for the year attributable to:			
Non-controlling interest		-	(65,556)
Owners of the parent Company		(273,345)	947,524
		(273,345)	881,968

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 17 to 42 form part of these financial statements.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

REGISTERED NUMBER: 03096503

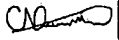
**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
Fixed assets			
Goodwill	15	1,286,333	1,459,351
Negative goodwill	15	(53,860)	(60,885)
Intangible fixed assets	15	396,721	1,050,402
Tangible assets	16	190,115	145,042
		<u>1,819,309</u>	<u>2,593,910</u>
Current assets			
Debtors: amounts falling due within one year	18	3,476,724	4,079,093
Cash at bank and in hand	19	541,934	924,587
		<u>4,018,658</u>	<u>5,003,680</u>
Creditors: amounts falling due within one year	20	(3,124,207)	(3,543,561)
Net current assets		<u>894,451</u>	<u>1,460,119</u>
Total assets less current liabilities		<u>2,713,760</u>	<u>4,054,029</u>
Creditors: amounts falling due after more than one year	21	-	(853,973)
Provisions for liabilities			
Deferred taxation	22	(43,202)	(24,044)
Provisions	23	(50,000)	(25,000)
		<u>(93,202)</u>	<u>(49,044)</u>
Net assets		<u>2,620,558</u>	<u>3,151,012</u>
Capital and reserves			
Called up share capital	24	579	518
Share premium account	25	1,624,686	1,181,947
Capital redemption reserve	25	88,681	88,681
Share-based payment reserve	25	-	15,927
Profit and loss account	25	906,612	1,926,230
Non-controlling interests		-	(62,291)
		<u>2,620,558</u>	<u>3,151,012</u>

**CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP
LIMITED)**
REGISTERED NUMBER: 03096503

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
C Daruvalla
Director

Date: 14 December 2023

The notes on pages 17 to 42 form part of these financial statements.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

REGISTERED NUMBER: 03096503

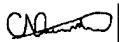
**COMPANY BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	15	41,390	33,412
Tangible assets	16	190,115	141,014
Investments	17	2,715,359	2,666,685
		<u>2,946,864</u>	<u>2,841,111</u>
Current assets			
Debtors: amounts falling due after one year	18	-	131,686
Debtors: amounts falling due within one year	18	2,735,531	3,418,156
Cash at bank and in hand	19	341,285	475,628
		<u>3,076,816</u>	<u>4,025,470</u>
Creditors: amounts falling due within one year	20	(3,121,245)	(3,302,122)
Net current (liabilities)/assets		<u>(44,429)</u>	<u>723,348</u>
Total assets less current liabilities		<u>2,902,435</u>	<u>3,564,459</u>
Creditors: amounts falling due after more than one year	21	-	(569,462)
Provisions for liabilities			
Deferred taxation	22	(42,681)	(23,523)
Provisions	23	(50,000)	(25,000)
		<u>(92,681)</u>	<u>(48,523)</u>
Net assets		<u>2,809,754</u>	<u>2,946,474</u>
Capital and reserves			
Called up share capital	24	579	518
Share premium account	25	1,624,686	1,181,947
Capital redemption reserve	25	88,681	88,681
Share-based payment reserve	25	-	15,927
Profit and loss account	25	1,095,808	1,659,401
		<u>2,809,754</u>	<u>2,946,474</u>

**CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP
LIMITED)**
REGISTERED NUMBER: 03096503

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
C Daruvalla
Director

Date: 14 December 2023

The notes on pages 17 to 42 form part of these financial statements.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Share premium account	Capital redemption reserve	Share-based payment reserve	Profit and loss account	Equity attributable to owners of parent Company
	£	£	£	£	£	£
At 1 April 2022	518	1,181,947	88,681	15,927	1,926,230	3,213,303
Loss for the year	-	-	-	-	(273,345)	(273,345)
Dividends: Equity capital	-	-	-	-	(650,235)	(650,235)
Shares issued during the year	61	442,739	-	-	-	442,800
Transfer to/from profit and loss account	-	-	-	(15,927)	15,927	-
Shareholding acquisition	-	-	-	-	(98,880)	(98,880)
Transfer between reserves	-	-	-	-	(13,085)	(13,085)
At 31 March 2023	579	1,624,686	88,681	-	906,612	2,620,558

	Non- controlling interests	Total equity
	£	£
At 1 April 2022	(62,291)	3,151,012
Loss for the year	-	(273,345)
Dividends: Equity capital	-	(650,235)
Shares issued during the year	-	442,800
Transfer to/from profit and loss account	-	-
Shareholding acquisition	49,206	(49,674)
Transfer between reserves	13,085	-
At 31 March 2023	-	2,620,558

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Share premium account	Capital redemption reserve	Share-based payment reserve	Profit and loss account	Equity attributable to owners of parent Company
	£	£	£	£	£	£
At 1 April 2021	518	1,181,947	88,681	7,955	1,078,706	2,357,807
Profit for the year	-	-	-	-	947,524	947,524
Dividends: Equity capital	-	-	-	-	(100,000)	(100,000)
Non-controlling interest	-	-	-	-	-	-
Share-based payment charge	-	-	-	7,972	-	7,972
At 31 March 2022	518	1,181,947	88,681	15,927	1,926,230	3,213,303

	Non- controlling interests	Total equity
	£	£
At 1 April 2021	3,265	2,361,072
Profit for the year	-	947,524
Dividends: Equity capital	-	(100,000)
Non-controlling interest	(65,556)	(65,556)
Share-based payment charge	-	7,972
At 31 March 2022	(62,291)	3,151,012

The notes on pages 17 to 42 form part of these financial statements.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Share premium account	Capital redemption reserve	Share- based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2022	518	1,181,947	88,681	15,927	1,659,401	2,946,474
Profit for the year	-	-	-	-	70,715	70,715
Dividends: Equity capital	-	-	-	-	(650,235)	(650,235)
Shares issued during the year	61	442,739	-	-	-	442,800
Transfer to/from profit and loss account	-	-	-	(15,927)	15,927	-
At 31 March 2023	579	1,624,686	88,681	-	1,095,808	2,809,754

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Share premium account	Capital redemption reserve	Share- based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2021	518	1,181,947	88,681	7,955	830,262	2,109,363
Profit for the year	-	-	-	-	929,139	929,139
Dividends: Equity capital	-	-	-	-	(100,000)	(100,000)
Share-based payment charge	-	-	-	7,972	-	7,972
At 31 March 2022	518	1,181,947	88,681	15,927	1,659,401	2,946,474

The notes on pages 17 to 42 form part of these financial statements.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Cavendish Consulting Limited (formerly Built Environment Communications Group Limited) is a private limited company, incorporated and domiciled in England and Wales with registered number 03096503.

The Company's registered office is 8-10 Mansion House Place, London, England, EC4N 8BJ.

The Group and Company's principal activity is public affairs, government relations, corporate communications, marketing and digital consultancy.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in pound Sterling, the functional currency of the Company, and rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Parent Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cavendish Consulting Group Limited as at 31 March 2023 and these financial statements may be obtained from 8-10 Mansion House Place, London, England, EC4N 8BJ.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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.

2.5 Operating leases: the Group as lessee

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

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.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 10 years.

Other intangible assets

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.

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.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Straight line over remaining lease term
Fixtures and fittings	- 20%
Computer equipment	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.19 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.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.20 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.22 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due within the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.22 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

2.23 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount of values may vary in certain instances from the assumption and estimates made.

Changes will be recorded, with corresponding effect in the Consolidated Statement of Comprehensive Income, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

Property, plant and equipment

Management provide for depreciation on the cost of property, plant and equipment over the assets' useful lives after taking their residual values into account.

Business combinations and goodwill

The Group accounts for business combinations using the acquisition method of accounting. The costs of the business combination are measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. The determination of fair value requires Management to make estimations that include internal and market data. Any variation in estimation would have an impact on the resulting goodwill arising on consolidation.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is amortised over the useful economic life of 10 years. Management review the useful economic life of goodwill annually and revise the estimate if conditions exist that indicate a change in the useful economic life of the acquired company.

Dilapidation provision

Management provide for the expected future dilapidation costs in respect of leases entered into. The amount of the provision is the present value of the expenditure expected to be required to settle the obligation. Management determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Impairment of intangible assets

Management assesses its capitalised development expenditure and other intangible assets for impairment on an ongoing basis. In determining whether an impairment loss should be recorded in the Consolidated Statement of Comprehensive Income, Management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows of that intangible asset.

Recoverability of amounts owed by group undertakings

The Company considers amounts owed by group undertakings annually and estimates the provision for doubtful debts. In determining this, assumptions and estimates are made in relation to the likelihood of monies being recovered based on the plans of the Group.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Client fees	11,733,714	10,531,139
Technology licenses	564,869	691,075
Recharged expenses	1,243,320	976,781
	<u>13,541,903</u>	<u>12,198,995</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	<u>13,541,903</u>	<u>12,198,995</u>

5. Operating (loss)/profit

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

	2023 £	2022 £
Tangible fixed assets - depreciation	86,299	87,070
Intangible fixed assets - amortisation	467,777	395,166
Operating lease rentals - buildings	502,313	395,174
Operating lease rentals - equipment	21,611	22,819
Defined contribution pension costs	154,504	118,379

6. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the consolidated and parent Company's financial statements	17,500	25,275

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.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Employees

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	5,770,822	5,673,856	4,752,307	4,748,898
Social security costs	570,748	499,580	479,238	415,516
Cost of defined contribution scheme	132,150	137,974	111,784	118,379
	6,473,720	6,311,410	5,343,329	5,282,793

The average monthly number of employees, including the Directors, during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Directors	7	10	7	10
Technology	15	12	-	-
Fee earners	97	90	97	83
Central	14	13	14	13
Marketing	6	6	5	5
	139	131	123	111

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	829,481	1,519,318
Group contributions to defined contribution pension schemes	22,354	41,068
	<u>851,835</u>	<u>1,560,386</u>

During the year retirement benefits were accruing to 8 Directors (2022 - 16) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £128,231 (2022 - £193,905).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £3,900 (2022 - £5,216).

The value of the Group's contributions paid to a defined benefit pension scheme in respect of the highest paid Director amounted to £3,900 (2022 - £5,216).

The amount of the accrued lump sum in respect of the highest paid Director at 31 March 2023 amounted to £NIL (2022 - £NIL).

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Interest receivable

	2023 £	2022 £
Other interest receivable	5	-
	<u>5</u>	<u>-</u>

10. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	39,512	9,579
Other interest payable	76,175	7,983
	<u>115,687</u>	<u>17,562</u>

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	-	44,467
Adjustments in respect of previous periods	(102)	9,939
Total current tax	<u>(102)</u>	<u>54,406</u>
Deferred tax		
Origination and reversal of timing differences	19,158	4,684
Effect of tax rate change on opening balance	-	4,647
Total deferred tax	<u>19,158</u>	<u>9,331</u>
Taxation on profit on ordinary activities	<u>19,056</u>	<u>63,737</u>

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	<u>(254,289)</u>	<u>945,705</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	<u>(48,315)</u>	<u>179,684</u>
Effects of:		
Expenses not deductible for tax purposes	7,272	49,263
Capital allowances for year in excess of depreciation	(6,135)	(4,733)
Adjustment in respect of prior period	(102)	9,939
Adjustment to brought forward value	-	(1,710)
Adjust deferred tax to average rate	-	(47,166)
Income not taxable for tax purposes	(23,042)	-
Other timing differences leading to an increase (decrease) in taxation	(13,344)	-
Deferred tax not recognised	102,722	(10,753)
Additional deduction for R&D expenditure	-	(110,787)
Total tax charge for the year	<u><u>19,056</u></u>	<u><u>63,737</u></u>

Factors that may affect future tax charges

The main rate of corporation tax increased from 19% to 25% from 1 April 2023. On this basis deferred tax is provided at the future rate of 25%.

12. Dividends

	2023 £	2022 £
Dividends paid	<u><u>650,235</u></u>	<u><u>100,000</u></u>

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Exceptional items

	2023 £	2022 £
Impairment of intangible assets	799,333	-
Group restructure expenses	287,635	-
Other exceptional expenditure	23,610	-
	<u>799,333</u>	<u>-</u>

At 31 March 2023, the Directors reviewed the carrying value of capitalised development costs and identified an impairment charge of £799,333 (2022: £Nil).

14. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £70,715 (2022 - £929,139).

15. Intangible assets

Group

	Development expenditure £	Trademarks £	Goodwill £	Negative goodwill £	Total £
Cost					
At 1 April 2022	1,326,522	37,178	2,044,377	(70,252)	3,337,825
Additions	439,457	8,478	-	-	447,935
Disposals	-	(500)	-	-	(500)
At 31 March 2023	<u>1,765,979</u>	<u>45,156</u>	<u>2,044,377</u>	<u>(70,252)</u>	<u>3,785,260</u>
Amortisation					
At 1 April 2022	313,297	-	585,026	(9,367)	888,956
Charge for the year on owned assets	301,784	-	173,018	(7,025)	467,777
Impairment charge	799,333	-	-	-	799,333
At 31 March 2023	<u>1,414,414</u>	<u>-</u>	<u>758,044</u>	<u>(16,392)</u>	<u>2,156,066</u>
Net book value					
At 31 March 2023	<u>351,565</u>	<u>45,156</u>	<u>1,286,333</u>	<u>(53,860)</u>	<u>1,629,194</u>
At 31 March 2022	<u>1,013,225</u>	<u>37,178</u>	<u>1,459,351</u>	<u>(60,885)</u>	<u>2,448,869</u>

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Intangible assets (continued)

Company

	Trademarks £
Cost	
At 1 April 2022	33,412
Additions	8,478
Disposals	(500)
At 31 March 2023	<u>41,390</u>
Net book value	
At 31 March 2023	<u>41,390</u>
At 31 March 2022	<u>33,412</u>

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2022	18,515	33,250	365,816	417,581
Additions	11,867	31,787	89,461	133,115
Disposals	-	-	(33,914)	(33,914)
At 31 March 2023	<u>30,382</u>	<u>65,037</u>	<u>421,363</u>	<u>516,782</u>
Depreciation				
At 1 April 2022	2,895	17,739	251,905	272,539
Charge for the year on owned assets	2,459	8,298	75,542	86,299
Disposals	-	-	(32,172)	(32,172)
At 31 March 2023	<u>5,354</u>	<u>26,037</u>	<u>295,275</u>	<u>326,666</u>
Net book value				
At 31 March 2023	<u>25,028</u>	<u>39,000</u>	<u>126,088</u>	<u>190,116</u>
At 31 March 2022	<u>15,620</u>	<u>15,511</u>	<u>113,911</u>	<u>145,042</u>

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2022	18,515	33,250	350,230	401,995
Additions	11,867	31,787	89,461	133,115
Disposals	-	-	(991)	(991)
At 31 March 2023	<u>30,382</u>	<u>65,037</u>	<u>438,700</u>	<u>534,119</u>
Depreciation				
At 1 April 2022	2,895	17,739	240,347	260,981
Charge for the year on owned assets	2,459	8,298	72,266	83,023
At 31 March 2023	<u>5,354</u>	<u>26,037</u>	<u>312,613</u>	<u>344,004</u>
Net book value				
At 31 March 2023	<u>25,028</u>	<u>39,000</u>	<u>126,087</u>	<u>190,115</u>
At 31 March 2022	<u>15,620</u>	<u>15,511</u>	<u>109,883</u>	<u>141,014</u>

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	3,086,014
Additions	49,674
Disposals	(1,000)
At 31 March 2023	<u>3,134,688</u>
Impairment	
At 1 April 2022	419,329
At 31 March 2023	<u>419,329</u>
Net book value	
At 31 March 2023	<u><u>2,715,359</u></u>
At 31 March 2022	<u><u>2,666,685</u></u>

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
BECG Limited (formerly BECG Infrastructure and Energy Limited)	8-10 Mansion House Place, London, England, EC4N 8BJ	Ordinary	100%
Built Environment Communications Group Limited (formerly Seamile Limited)	8-10 Mansion House Place, London, England, EC4N 8BJ	Ordinary	100%
Remarkable Group Limited	8-10 Mansion House Place, London, England, EC4N 8BJ	Ordinary	100%
Crowd Technologies Limited	8-10 Mansion House Place, London, England, EC4N 8BJ	Ordinary	100%
Cavendish Advocacy Limited	8-10 Mansion House Place, London, England, EC4N 8BJ	Ordinary	100%
Liberty One Communications Limited	Spaces, 1 West Regent Street, Glasgow, Scotland, G2 1RW	Ordinary	100%

18. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Amounts owed by group undertakings	-	-	-	131,686
	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,686</u>
Trade debtors	2,598,370	3,419,119	1,727,816	2,307,371
Amounts owed by group undertakings	-	-	489,465	496,739
Other debtors	487,388	259,252	141,863	245,985
Prepayments and accrued income	373,601	339,094	359,022	324,295
Tax recoverable	17,365	61,628	17,365	43,766
	<u>3,476,724</u>	<u>4,079,093</u>	<u>2,735,531</u>	<u>3,549,842</u>

Included in amounts owed by group undertakings is a loan receivable of £1,113,000. This loan is unsecured, non-interest bearing and repayable on demand. The Directors have recognised a provision for doubtful debts in respect of this loan.

Other amounts owed by group undertakings are unsecured, non-interest bearing and repayable on demand.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>541,934</u>	<u>924,587</u>

20. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	-	156,600	-	146,496
Trade creditors	424,510	520,386	402,467	475,214
Deferred consideration	61,453	236,250	61,453	236,250
Amounts owed to group undertakings	531,134	-	940,084	685,379
Corporation tax	-	100	-	-
Other taxation and social security	1,111,452	976,224	1,073,786	570,008
Sale and leaseback liability	-	77,322	-	-
Other creditors	94,476	426,794	91,732	415,042
Accruals and deferred income	901,182	1,149,885	551,723	773,733
	<u>3,124,207</u>	<u>3,543,561</u>	<u>3,121,245</u>	<u>3,302,122</u>

Deferred consideration represents future consideration payable on the acquisition of Cavendish Advocacy Limited and Liberty One Communications Limited in the year ended 31 March 2021. Deferred consideration of £61,453 is payable on 31 May 2023.

Amounts owed to group undertakings are unsecured, repayable on demand and non-interest bearing.

See note 20 for further details on bank loans and the sale and leaseback liability.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	-	504,568	-	474,676
Sale and leaseback liability	-	254,619	-	-
Deferred consideration	-	61,453	-	61,453
Accruals and deferred income	-	33,333	-	33,333
	<u>-</u>	<u>853,973</u>	<u>-</u>	<u>569,462</u>

Bank loans represented Coronavirus Business Interruption Loans ("CBIL") originally advanced of £750,000 and a Bounce Back Interruption Loan ("BBIL") originally advanced of £50,000.

The CBIL facility was covered by a Partial Guarantee given by the Secretary of State and secured over the assets of the Company and interest bearing at a rate of 2.34% above Base Rate. These loans were repaid early and settled in full during the year ended 31 March 2023.

The BBIL facility was secured over the assets of the Company, interest bearing at a rate of 2.5% and repayable by October 2026. This loan was repaid early and settled in full during the year ended 31 March 2023.

During the year ended 31 March 2022, the Group received £350,000 in respect of a sale and leaseback arrangement. The Directors considered the arrangement of this sale and leaseback to result in a finance lease. The sale and leaseback arrangement was unsecured, interest bearing at an annualised rate of 8.8% and repaid in October 2022.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

22. Deferred taxation

Group

	2023 £	2022 £
At beginning of year	(24,044)	(14,713)
Charged to profit or loss	(19,158)	(9,331)
At end of year	(43,202)	(24,044)

Company

	2023 £	2022 £
At beginning of year	(23,523)	(13,648)
Charged to profit or loss	(19,158)	(9,875)
At end of year	(42,681)	(23,523)

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Accelerated capital allowances	(43,202)	(33,154)	(42,681)	(32,633)
Tax losses carried forward	-	9,110	-	9,110
	(43,202)	(24,044)	(42,681)	(23,523)

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. Provisions

Group

	Dilapidation provision £
At 1 April 2022	25,000
Charged to profit or loss	25,000
	<hr/>
At 31 March 2023	50,000
	<hr/> <hr/>

Dilapidation provisions represent the Directors' best estimate of future costs to be incurred on termination of leases in the Group. The provision is expected to be utilised at the end of each respective lease in the Group.

Company

	Dilapidation provision £	Total £
At 1 April 2022	25,000	25,000
Charged to profit or loss	25,000	25,000
	<hr/>	<hr/>
At 31 March 2023	50,000	50,000
	<hr/> <hr/>	<hr/> <hr/>

Dilapidation provisions represent the Directors' best estimate of future costs to be incurred on terminations of leases in the Group. The provision is expected to be utilised at the end of each respective lease in the Group.

24. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
57,857 (2022 - 51,805) Ordinary shares of £0.01 each	579	518
	<hr/>	<hr/>

Ordinary shares entitle each holder to one vote per share and rank pari passu in respect of dividends and other distributions.

On 14 October 2022, the Company issued 6,052 Ordinary shares of £0.01 each for a total consideration of £442,800.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

25. Reserves

Share premium account

The share premium account represents the amounts received for shares in issue above the nominal value of share capital.

Capital redemption reserve

The capital redemption reserve represents amounts transferred following the purchase of the Company's own shares.

Share-based payment reserve

The share-based payment reserve represents the cumulative charge in respect of share-based payment arrangements.

Profit and loss account

The profit and loss account is the Company's accumulated retained profits or losses as at the year end.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

26. Share-based payments

Between 30 July 2014 and 11 September 2019, the Company granted 5,040 EMI options to employees. The fair values of employee options granted are measured at the date of grant by the use of a Black-Scholes pricing model, the assumptions used in the model varying depending on the date of grant and vesting period. The inputs used in the Black-Scholes model are further detailed below.

All options have a maximum term of 10 years from date of grant and are settled in equity upon exercise. No options expired in the year. The vesting conditions of all EMI options in the Company were conditional on the Company achieving an Exit. As a result of the Group restructure during the year ended 31 March 2023, all outstanding share options were exercised into equity of Cavendish Consulting Group Limited.

	Weighted average exercise price (pence) 2023	Number 2023	Weighted average exercise price (pence) 2022	Number 2022
Outstanding at the beginning of the year	7,178	6,355	4,348	4,020
Granted during the year		-	12,050	2,335
Exercised during the year	(7,178)	(6,355)		-
Outstanding at the end of the year	-	-	7,178	6,355

	2023	2022
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price (pence)	2,500-12,050	2,500-12,050
Exercise price (pence)	2,500-12,050	2,500-12,050
Weighted average contractual life (days)	1,460-3,285	1,460-3,285
Expected volatility	12%-19%	12%-19%
Risk-free interest rate	1.3%-2.2%	1.3%-2.2%

	2023	2022
Equity-settled schemes	-	7,972

27. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £111,784 (2022: £118,379). Contributions totaling £50,413 (2022: £41,070) were payable to the fund at the balance sheet date and are included in creditors.

CAVENDISH CONSULTING LIMITED (FORMERLY BUILT ENVIRONMENT COMMUNICATIONS GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

28. Commitments under operating leases

At 31 March 2023 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

Group	2023 £	2022 £
Not later than 1 year	276,040	218,970
Later than 1 year and not later than 5 years	178,048	38,162
	<u>454,088</u>	<u>257,132</u>

29. Related party transactions

The Company has taken advantage of the disclosure exemption under Section 33.1A of FRS 102 not to disclose transactions entered into between two or more 100% owned group companies.

Included within other debtors due within one year are loans due from Andrew Howard, a Director, amounting to £Nil (2022: £73,625). Amounts repaid during the year totalled £73,625 (2022: £Nil). The loans were unsecured, repayable on demand and interest bearing at a rate of 12% under certain conditions at the discretion of the Group.

During the year ended 31 March 2023, the Group incurred costs for Director services of £83,224 with Directors of the Group (2022: £108,146). At the year-end, £4,682 was outstanding in creditors (2022: £10,020).

During the year ended 31 March 2023, two Directors acquired £195,248 (2022: £Nil) of Ordinary shares in the Company.

During the year ended 31 March 2023, the Group made sales of £4,460 (2022: £Nil) to a company controlled by a common Director. No amounts were outstanding at 31 March 2023 (2022: £Nil)

30. Post balance sheet events

On 27 June 2023 the Company filed a change of name resolution at Companies House.

31. Controlling party

Up to 14 October 2022, the ultimate controlling party of the Company was Stephen Pomeroy by virtue of his shareholding.

On 14 October 2022, the entire issued share capital of Cavendish Consulting Limited (formerly Built Environment Communications Group Limited) was acquired by Cavendish Consulting Group Limited (formerly BECG Limited), company number 04883755 in England. With effect from this date, Cavendish Consulting Group Limited is considered to be the ultimate controlling party.