
designportfolio

Annual report and financial statements

For the year ended 31 July 2022

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Company information

Directors

I B Restall
J E Wilford
A A E Carey
L A Channon
N F Callan
D L Redman

Company secretary

A A E Carey

Company registered number

03677122

Registered office

South Quay Building
4th Floor
77 Marsh Wall
London
E14 9SH

Independent auditors

Barnes Roffe LLP
Chartered Accountants & Statutory Auditor
Leytonstone House
Leytonstone
London
E11 1GA

Introduction

Design Portfolio helps forward-thinking companies build trust with their stakeholders through creative storytelling, integrated communications, and sustainability strategies.

Our team of experts spans strategy, creative and tech, and is powered by industry-leading processes and delivery management. We work with listed companies and purpose-led businesses looking to build trust and make an impact.

We believe that success comes from being collaborative, creative and considerate (our company values). That's why we are committed to building and sustaining meaningful relationships: with our clients and with each other.

Digital communications

Websites

Video & animation

Campaigns

Corporate communications

Reporting

Brand

Presentations

Sustainability

Materiality & strategy

Performance & targets

Framework alignment

www.design-portfolio.co.uk

www.eversustainable.co.uk

Also find us on LinkedIn, Instagram and Vimeo.

Directors' report

For the year ended 31 July 2022

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

Directors' responsibilities statement

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 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £1,323,112 (2021 – £755,404).

The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

I B Restall
J E Wilford
A A E Carey
L A Channon
N F Callan
D L Redman

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

Auditors

The auditors, Barnes Roffe LLP, 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.



A A E Carey
Director

Date: 26 April 2023

Independent auditors' report

To the members of The Design Portfolio Marketing Services Limited

Opinion

We have audited the financial statements of The Design Portfolio Marketing Services Limited (the 'Company') for the year ended 31 July 2022, which comprise the Statement of income and retained earnings, the Balance sheet 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 Company's affairs as at 31 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 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 Auditors' 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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 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; 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.

Independent auditors' report (continued)

To the members of The Design Portfolio Marketing Services Limited

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 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations, which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and ISO standards; and
- we assessed the extent of compliance with laws and regulations identified above through making enquires of management and inspecting legal correspondence and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquires of management as to where they considered there was susceptibility to fraud, their knowledge of actual suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify and unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance.

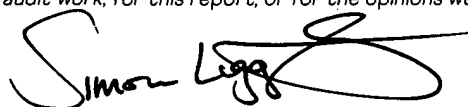
Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from errors as they may involve deliberate concealment or collusion.

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 Auditors' report.

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 Auditors' 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.



Simon Liggins (Senior statutory auditor)

for and on behalf of
Barnes Roffe LLP
Chartered Accountants
Statutory Auditor
Leytonstone House
Leytonstone
London
E11 1GA

Date: 27.4.23

Statement of income and retained earnings

For the year ended 31 July 2022

	Note	2022 £	2021 £
Turnover	4	8,555,039	6,330,287
Cost of sales		(1,209,459)	(992,563)
Gross profit		7,345,580	5,337,724
Administrative expenses		(5,714,991)	(4,385,912)
Other operating income		—	10,749
Operating profit	5	1,630,589	962,561
Interest payable and similar expenses	8	(262)	(328)
Profit before tax		1,630,327	962,233
Tax on profit	9	(307,215)	(206,829)
Profit after tax		1,323,112	755,404
Retained earnings at the beginning of the year		1,374,794	619,390
Profit for the year		1,323,112	755,404
Retained earnings at the end of the year		2,697,906	1,374,794

The notes on pages 8 to 15 form part of these financial statements.

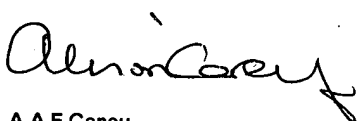
Balance sheet

As at 31 July 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	10		209,100		223,758
Current assets					
Stocks	11	3,476		—	
Debtors: amounts falling due within one year	12	3,656,082		2,034,481	
Cash at bank and in hand	13	1,335,168		1,024,056	
		4,994,726		3,058,537	
Creditors: amounts falling due within one year	14	(2,468,399)		(1,867,944)	
Net current assets			2,526,327		1,190,593
Total assets less current liabilities			2,735,427		1,414,351
Provisions for liabilities					
Deferred tax	15	(37,421)		(39,457)	
			(37,421)		(39,457)
Net assets			2,698,006		1,374,894
Capital and reserves					
Called up share capital	16		100		100
Profit and loss account			2,697,906		1,374,794
			2,698,006		1,374,894

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2023.



A A E Carey
Director

Company Registration No. 03677122

The notes on pages 8 to 15 form part of these financial statements.

Notes to the financial statements

For the year ended 31 July 2022

1. General information

The Design Portfolio Marketing Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is South Quay Building, 4th Floor, 77 Marsh Wall, London, E14 9SH.

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 – reduced disclosure exemptions

The 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; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Flathill Group Limited as at 31 July 2022 and these financial statements may be obtained from the registered office.

2.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company's business activities, together with factors likely to affect its future development, performance and position are set out in the Directors' report on page 3.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary as adjectival and as reference on next line down items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5 Turnover

Turnover represents the invoiced value of services provided net of value added tax. It is attributable to the principal activity of the company being that of a corporate communications and sustainability consultancy.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Notes to the financial statements (continued)

For the year ended 31 July 2022

2. Accounting policies (continued)

2.6 Operating leases: the Company 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.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

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 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised as 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 operates and generates 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; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

Notes to the financial statements (continued)

For the year ended 31 July 2022

2. Accounting policies (continued)

2.11 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 annual basis:

Leasehold improvements	—	Over the term of the lease
Fixtures and fittings	—	25% straight line
Office equipment	—	25% straight line

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.

2.12 Stocks

Work in progress is stated at the lower of cost and net realisable value. The work in progress figure represents expenses incurred by the company relating to specific projects which were in progress at the year end.

2.13 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.

2.14 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.

2.15 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.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company 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.

2.17 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.

Notes to the financial statements (continued)

For the year ended 31 July 2022

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Work in progress

Work in progress from contracts for the provision of professional services is recognised by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, work in progress is recognised only to the extent of the expenses recognised that are recoverable.

Depreciation of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the tangible fixed assets and note 2.11 for the useful economic lives for each class of asset.

4. Turnover

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

	2022 £	2021 £
Rendering of services	8,555,039	6,330,287

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	7,946,680	5,962,927
Rest of the world	608,359	367,360
	8,555,039	6,330,287

5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Exchange losses	21	19
Government grants	—	(10,749)
Fees payable to the Company's auditor for the audit of the Company's financial statements	8,060	9,500
Depreciation of owned tangible fixed assets	85,988	86,440
Cost of sales recognised as an expense	1,209,459	992,563
Operating lease charges	141,860	153,049

Notes to the financial statements (continued)

For the year ended 31 July 2022

6. Employees

	2022 £	2021 £
Wages and salaries	4,180,705	3,129,433
Social security costs	420,994	264,841
Cost of defined contribution scheme	168,404	156,421
	4,770,103	3,550,695

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

	2022 No.	2021 No.
Administration	6	6
Management	6	5
Client services	18	14
Production	55	41
	85	66

7. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	987,630	776,112
Company contributions to defined contribution pension schemes	55,469	62,729
	1,043,099	838,841

During the year retirement benefits were accruing to 5 directors (2021 – 4) in respect of defined contribution pension schemes.

8. Interest payable and similar charges

	2022 £	2021 £
Bank interest payable	262	328

Notes to the financial statements (continued)

For the year ended 31 July 2022

9. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	309,251	167,372
Total current tax	309,251	167,372
Deferred tax		
Origination and reversal of timing differences	(2,036)	39,457

Factors affecting tax charge for the year

The tax assessed for the year is lower (2021 - higher) than the standard rate of corporation tax in the UK of 19% (2021 - 19%).

The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	1,630,327	962,233
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	309,762	182,824
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17,779	27,372
Depreciation in excess of capital allowances	2,809	49,814
Group relief	(21,099)	(53,181)
Deferred tax	(2,036)	—
Total tax charge for the year	307,215	206,829

10. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 August 2021	178,149	—	218,020	144,062	540,231
Additions	—	15,050	516	55,764	71,330
At 31 July 2022	178,149	15,050	218,536	199,826	611,561
Depreciation					
At 1 August 2021	56,917	—	164,337	95,219	316,473
Charge for the year on owned assets	29,692	—	25,202	31,094	85,988
At 31 July 2022	86,609	—	189,539	126,313	402,461
Net book value					
At 31 July 2022	91,540	15,050	28,997	73,513	209,100
At 31 July 2021	121,232	—	53,683	48,843	223,758

Notes to the financial statements (continued)

For the year ended 31 July 2022

11. Stocks

	2022 £	2021 £
Work in progress	3,476	—

12. Debtors

	2022 £	2021 £
Trade debtors	1,433,515	1,281,571
Amounts owed by group undertakings	1,725,101	421,430
Other debtors	359	2,250
Prepayments and accrued income	497,107	329,230
	3,656,082	2,034,481

A bad debt provision of £88,418 (2021 – £67,500) was recognised against trade debtors.

13. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,335,168	1,024,056

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	262,831	265,165
Corporation tax	225,751	167,372
Other taxation and social security	411,347	414,989
Other creditors	127,435	149,279
Accruals and deferred income	1,441,035	871,139
	2,468,399	1,867,944

15. Deferred taxation

	2022 £
At beginning of year	(39,457)
Utilised in year	2,036
At end of year	(37,421)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(37,421)	(39,457)

Notes to the financial statements (continued)

For the year ended 31 July 2022

16. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100 (2021 – 100) Ordinary shares of £1.00 each	100	100

17. Pension commitments

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge for the year was £168,404 (2021 – £156,421). Included in other creditors at the year end is £43,480 (2021 – £40,613) of unpaid pension contributions.

18. Commitments under operating leases

At 31 July 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	141,060	141,483
Later than 1 year and not later than 5 years	294,993	415,999
	436,053	557,482

19. Related party transactions

Sales totalling £303,497 (2021 – £69,196) were made to and purchases totalling £35,830 (2021 – £44,900) were made from Ford Sinclair Limited during the year. At the year end, Ford Sinclair Limited owed the company an amount of £54,756 (2021 – £43,045). Ford Sinclair Limited is a company in which Mrs CM Restall (a director of Flathill Communications Group Plc) has a controlling interest.

20. Controlling party

Flathill Group Limited, which is incorporated in England and Wales, is the company's ultimate parent undertaking.

The Design Portfolio Marketing Services Limited remains a subsidiary of Flathill Communications Group Plc which is wholly owned by Flathill Group Limited. There is no single controlling party.