

**The Hotwire Public Relations Group
Limited**

Annual Report and Financial Statements

Registered number 04039379

Year ended 30 June 2023



Contents

Strategic report	1
Directors' report	3
Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements	4
Independent Auditor's Report to the Members of The Hotwire Public Relations Group Limited	5
Profit and Loss Account and Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes	12

Strategic report

Business strategy and objective

The Hotwire Public Relations Group Limited (the Company) is part of Enero Group Limited (Enero Group), an international network of marketing and communications businesses. The Company serves as an intermediary holding company for the Enero Group's investments in controlled entities in the United Kingdom and rest of Europe.

Hotwire's (being the Company's and its controlled entities) primary objectives are to create a world-class boutique communications business, to deliver quality service to clients and to be an employer of choice in the communications sector. Hotwire has a network of offices across United Kingdom, Europe, Asia Pacific and the USA. The objectives are to continue to grow in each local market and build the profile and presence of the Hotwire brand.

Business model

Hotwire is an award-winning fee for service business providing communications services in the Technology communications space. Hotwire provides communication campaigns to business to business and business to consumer technology companies.

Principal risks and uncertainties

Risk is an inherent part of doing business. Hotwire recognises the importance of effective risk management processes and systems, and it has a process for identifying, evaluating, and managing the risks faced by the Hotwire. The Board is ultimately responsible for risk management and determining the nature and extent of the risks it is willing to take in achieving its strategic objectives. The Board has identified the following factors as principal potential risks to the successful operation of Hotwire.

Economic and market risks

The economic environment and competitor pricing position can affect the performance of business in terms of both sales and costs.

The global communications sector is highly competitive, thus as a business, we have acted to ensure that we have a strong commercial offering to help win new clients and provide a high-quality service to our existing clients. We attract and retain high quality people who can deliver a high-quality service to our clients. We have dedicated client relationship teams in place. We have put major focus on maintaining and building long-term client relationships thus investing in major clients. In addition, we seek to maintain a competitive cost base thus ensuring that we deliver return on investment for all our clients.

Employee attraction and retention

As a talent-based business, Hotwire believes employee attraction and retention is a key source of competitive differentiation. As such, we actively invest in talent and culture, both through Enero's global People and Culture Centre of Excellence, as well as within the individual businesses of the Group. We develop a unique culture that suits the talent market we operate in, ensuring each business is best situated to achieve its People and Culture strategy and goals. Hotwire invests heavily in in-house and external recruitment capabilities, progressive and dynamic workplace practices and a strong focus on Diversity, Equity and Inclusion initiatives that are tailored to each market we operate in. We conduct short-term and long-term succession and organisational planning for key roles. We also regularly measure the satisfaction of Hotwire's employees and seek feedback on areas of improvement.

Regulatory risk

Hotwire's operations are subject to a broad spectrum of regulatory requirements particularly in relation to environmental issues, health & safety, employment and pensions and tax laws.

Hotwire monitors regulatory developments and has a strong compliance regime. Regular reviews are carried out to ensure compliance and training needs are addressed as required.

Strategic report (continued)

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligation and arises principally from Hotwire's receivables from customers. Hotwire has minimal credit risk due to the nature of the customers (mainly large multi-nationals), ability to invoice the customers in advance and constant monitoring of trade receivables.

Outlook

The Company is focused on ensuring top line revenue growth, and securing additional client contracts, is achieved in its trading subsidiaries. Hotwire will continue to strengthen by investing in new technology, seeking improvements and additional services to the business offering, together with additional efficiency gains and cost savings.

Environmental regulation and performance

The board believes that Hotwire had adequate systems in place for the management of its environmental requirements.

Financial performance for the year

The profit and loss account is set out on page 9 and shows the profit for the year. The Company achieved a profit before tax of £621,510 for the year (2022: £371,199). The directors are satisfied with the performance of the Company for the year.

The company recorded restructuring costs of £489,427 during the year relating to the McDonald Butler Associates business.

Financial position

The Group continues to maintain a strong balance sheet. The Group has stringent working capital management to ensure efficient conversion of profit to cash.

Key performance indicators

2023 was a positive year against key performance indicators including:

- continue to provide quality work to its clients;
- maintaining Company net profit; and
- a strong balance sheet.

By order of the board



Carla Webb-Sear
Director

20 March 2024

Directors' report

The directors present their report together with the audited financial statements of The Hotwire Public Relations Group Limited ("the Company") for the year ended 30 June 2023.

Principal activities

The Company is the intermediary holding company for Enero Group Limited's investment in the Hotwire Group.

Proposed dividend

The company did not declare a dividend during the year ended 30 June 2023 (2022: £Nil).

Directors

The directors who held office during the year and since the year end were as follows:

Adrian Talbot (resigned 1 August 2023)
Brentley James Scrimshaw
Carla Webb-Sear
Jeremy Lucas (appointed 1 August 2023)

Directors benefited from qualifying third-party indemnity provisions in place during the financial year 2023 and at the date of this report.

Political contributions

The Company made no political contribution or incurred any political expenditure during the year (2022: £Nil).

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

During the year, the Company made a profit after tax of £603,427 (2022: £358,253). Net assets were £2,041,635 (2022: £1,438,208) and cash at bank was £11,271 (2022: £14,667). No dividends (2022: nil) were paid in the year.

The directors have prepared a detailed forecast (for the Company and its controlled entities) up to 31 March 2025 which indicate that, with the cash resources in place, the ability of the Company to continue to recharge the shared costs to its controlled entities and even in severe but plausible downside scenarios, the Company will have sufficient funds to meet their liabilities as they fall due for that period. The directors have reviewed their contingency plans and are satisfied the Group's resource base has the ability to provide the services in line with the contracts without significant additional costs to the Group, even in downside scenarios.

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

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor KPMG LLP will not continue in office after the date of this report and EY LLP will be appointed.

By order of the board



Carla Webb-Sear
Director

69 Wilson Street
London
EC2A 2BB
20 March 2024

Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of The Hotwire Public Relations Group Limited

Opinion

We have audited the financial statements of The Hotwire Public Relations Group Limited ("the company") for the year ended 30 June 2023 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Independent Auditor's Report to the Members of The Hotwire Public Relations Group Limited (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company is a holding entity with no revenue generation. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the members (as required by auditing standards) and discussed with the members the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law and certain aspects of Company legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the members and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor's Report to the Members of The Hotwire Public Relations Group Limited (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members of The Hotwire Public Relations Group Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.

Andrew Simpson

Andrew Simpson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
United Kingdom
E14 5GL
20 March 2024

Profit and Loss Account and Other Comprehensive Income
for the year ended 30 June 2023

	<i>Note</i>	2023 £	2022 £
Turnover		-	-
Administrative expenses	2-4	(2,597,740)	(2,597,741)
Operating loss		(2,597,740)	(2,597,741)
Income from subsidiary undertakings	5	3,708,677	3,765,411
Restructuring costs		(489,427)	(489,427)
Profit before taxation		621,510	371,199
Tax on profit	6	(18,083)	(12,946)
Profit for the financial year		603,427	358,253
Other comprehensive income			
Items that are or may be classified subsequently to profit or loss:			
Tax credit on ultimate parent undertakings employee share scheme		-	27,195
Other comprehensive income for the year, net of income tax		-	27,195
Total comprehensive income for the year		603,427	385,448

All results are from continuing activities.

The accompanying notes on pages 12 to 19 form an integral part of these financial statements.

Balance Sheet
as at 30 June 2023

	<i>Note</i>	2023 £	£	2022 £	£
Fixed assets					
Investments	8		35,781		35,781
Current assets					
Debtors	9	6,754,936		5,715,252	
Cash at bank and in hand		11,271		14,667	
		<u>6,766,207</u>		<u>5,729,919</u>	
Creditors: amounts falling due within one year	10	<u>(4,760,353)</u>		<u>(4,327,492)</u>	
Net current assets			2,005,854		1,402,427
Total assets less current liabilities			<u>2,041,635</u>		<u>1,438,208</u>
Net assets			<u>2,041,635</u>		<u>1,438,208</u>
Capital and reserves					
Called up share capital	13		897		897
Share premium account			158,235		158,235
Profit and loss account			1,882,503		1,279,076
Shareholders' funds			<u>2,041,635</u>		<u>1,438,208</u>

The accompanying notes on pages 12 to 19 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 20 March 2024 and were signed on its behalf by:



Carla Webb-Sear
Director

Company number: 04039379

Statement of Changes in Equity
for the year ended 30 June 2023

	Called up Share Capital	Share Premium	Profit and loss account	Total
	£	£	£	£
Balance at 1 July 2021	897	158,235	893,628	1,052,760
Total comprehensive income for the year				
Profit for the year	-	-	358,253	358,253
Other comprehensive income for the year	-	-	27,195	27,195
Total comprehensive income for the year	-		385,448	385,448
Transactions with owners, recorded directly in equity				
Dividends (see note 7)	-	-	-	-
Total distributions to owners	-	-	-	-
Balance at 30 June 2022	897	158,235	1,279,076	1,438,208
Balance at 1 July 2022	897	158,235	1,279,076	1,438,208
Total comprehensive income for the year				
Profit for the year	-	-	603,427	603,427
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	603,427	603,427
Transactions with owners, recorded directly in equity				
Dividends (see note 7)	-	-	-	-
Total distributions to owners	-	-	-	-
Balance at 30 June 2023	897	158,235	1,882,503	2,041,635

The accompanying notes on pages 12 to 19 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The Hotwire Public Relations Group Limited (the "Company") is a private company incorporated, domiciled and registered in England in the United Kingdom. The registered number is 04039379 and the registered address is 69 Wilson Street, London, EC2A 2BB.

The Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Enero Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Enero Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Level 2, 100 Harris Street, Pyrmont, NSW 2009, Australia.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliation for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Enero Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

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

Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

During the year, the Company made a profit after tax of £603,427 (2022: £358,253). Net assets were £2,041,635 (2022: £1,438,208) and cash at bank was £11,271 (2022: £14,667). No dividends (2022: nil) were paid in the year.

The Company is an investment holding company, it has ready access to cash from all its investments globally and can access this cash as and when required to meet obligations as they fall due. The Company's ability to continue as a going concern is dependent on the subsidiaries' ability to generate cash and distribute dividends.

The directors have prepared a detailed forecast (for the Company and its controlled entities) up to 31 March 2025 which indicate that, with the cash resources in place, the ability of the Company to continue to recharge the shared costs to its controlled entities and even in severe but plausible downside scenarios, the Company will have sufficient funds to meet their liabilities as they fall due for that period. The directors have undertaken a rigorous assessment of the going concern assumptions, considering a range of downside scenarios, including severe but plausible reductions in EBITDA for at least twelve months following the issuance of these financial statements. The directors have also reviewed their contingency plans and are satisfied the subsidiaries have the ability to provide their services in line with the contracts without significant additional costs to the Group, even in downside scenarios. The directors will continue to actively monitor the situation. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Employee benefits

Pension scheme

The Company operates a defined contribution pension scheme. The amount charged to the profit and loss account represents the contributions for the year. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Investments

Investments in subsidiary undertakings are stated at cost less accumulated impairment. Investments are tested of impairment at each reporting date. Where the carrying value of investment exceeds its recoverable value an impairment loss is recognised in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Expenses and auditor's remuneration

	2023 £	2022 £
<i>Profit before taxation is stated after charging:</i>		
Salaries and wages (see note 4)	2,172,072	2,719,937
<i>Auditors' remuneration</i>		
Audit of these financial statements	36,000	17,000
	<hr/>	<hr/>

Notes (continued)

3 Directors' Remuneration

Remuneration of director was paid by a group company. Remuneration disclosed below represents cost of services provided by a director to the Company.

	2023	2022
	£	£
Salaries and wages	197,032	175,704
Company contributions to defined contribution pension plan	19,444	17,852
	<u>216,476</u>	<u>193,556</u>

The aggregate remuneration of the highest paid director was £216,476 (2022: £193,556), and of this amount, Company contributions of £19,444 (2022: £17,852) were made to a defined contribution scheme on his behalf.

	Number of directors	
	2023	2022
Retirement benefits are accruing to the following number of directors under:		
Defined contribution pension schemes	<u>1</u>	<u>1</u>

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2023	2022
	Number of employees	
Administration staff	15	15
	<u>15</u>	<u>15</u>

The aggregate payroll costs of these persons were as follows:

	2023	2022
	£	£
Wages and salaries	1,909,913	2,424,442
Social security costs	164,910	186,037
Other pension costs	97,249	109,458
	<u>2,172,072</u>	<u>2,719,937</u>

5 Income from subsidiary undertakings

	2023	2022
	£	£
Dividends received from subsidiary undertakings	897,850	302,995
Other income from subsidiary undertakings	2,810,827	3,462,416
	<u>3,708,677</u>	<u>3,765,411</u>

6 Taxation

Recognised in the profit and loss account

	2023		2022
	£	£	£
<i>UK corporation tax</i>			
Current tax on income for the year	-		27,195
Group relief payable	-		(12,565)
Total current tax		-	14,630
<i>Deferred tax</i>			
Origination and reversal of timing differences	18,083		(1,684)
Total deferred tax (see note 11)		18,083	(1,684)
Tax charge on profit		18,083	12,946

Reconciliation of effective tax rate

An explanation of the reasons why the current tax expense for the year is lower than (2022: lower than) the standard rate of corporation tax for the UK of 20.5% (2022: 19.00%) is shown below.

	2023	2022
	£	£
Profit for the year	603,427	358,253
Total tax expense	18,083	12,946
Profit before tax	621,510	371,199
Tax using the UK corporate tax rate of 20.5% (2022: 19%)	127,410	70,528
<i>Effects of:</i>		
Expenses not deductible for tax purposes	8,200	391
Tax exempt income	(184,059)	(57,569)
Permanent timing difference	16,240	(404)
Current year losses not recognised for deferred tax	50,292	-
Tax charge on profit	18,083	12,946

Except for tax credit on ultimate parent undertakings employee share scheme recognised in other comprehensive income, all tax is recognised directly in the profit and loss account.

A blended UK corporation rate of 20.5% (9 months at 19%, 3 months at 25%) has been applied for the financial year beginning 1 July 2022. On 14 October 2022, it was announced that the UK tax rate would increase to 25% from 1 April 2023.

The deferred tax asset at 30 June 2023 has been calculated at 25% (30 June 2022: 25%). There is an unrecognised deferred tax asset of £77,169 as at 30 June 2023.

Notes (continued)

7 Dividends

The aggregate amount of dividends comprises:

	2023	2022
	£	£
Final dividend paid in respect of current year	-	-

8 Fixed asset investments

	Shares in group undertakings £
<i>Cost</i>	
At 1 July 2022 and 30 June 2023	35,781

The companies in which the Company's interests at the year end are as follows:

<i>Subsidiary undertakings</i>	<i>Registered Address</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Percentage and Class of shared held</i>
Hotwire Public Relations Ltd	2 nd Floor, 69 Wilson St, London	UK	Public Relations	100% Ordinary Shares
Hotwire Public Relations Germany GmbH	Stephanstraße 1, 60313 Frankfurt am Main	Germany	Public Relations	100% Ordinary Shares
Hotwire Public Relations France SARL	105 rue du Faubourg Saint Honore, Paris	France	Public Relations	100% Ordinary Shares
Hotwire Public Relations Spain SL	C/ Libertad 15, 28006 Madrid Spain	Spain	Public Relations	100% Ordinary Shares
Hotwire Public Relations Italy Srl	Via Conservatorio 22, 20122, Milan	Italy	Public Relations	100% Ordinary Shares
Hotwire Global Communications Mexico S de R.L. de C.V. ¹	Av. Paseo de la Reforma 296, Piso 42, oficina 38-116, Colonia Juárez, Delegación Cuauhtémoc, C.P. 06600	Mexico	Dormant	90% Ordinary Shares
McDonald Butler Associates Limited	2 nd Floor, 69 Wilson St, London	UK	Dormant	100% Ordinary Shares

¹ Under liquidation.

9 Debtors

	2023	2022
	£	£
Amounts owed by group undertakings	6,449,430	5,517,015
Other debtors	640	408
Deferred tax asset (see Note 11)	-	18,083
Prepayments	304,866	179,746
	6,754,936	5,715,252

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

Notes (continued)

10 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	183,255	93,661
Amounts owed to group undertakings	3,953,194	3,260,429
Taxation and social security	306,998	160,672
Accruals	316,906	812,730
	<u>4,760,353</u>	<u>4,327,492</u>

Amounts owed to group undertakings are unsecured, repayable on demand and interest free.

11 Deferred tax assets

Movement in deferred tax during the year:

	1 July 2022	Recognised in income statement	30 June 2023
	£	£	£
Tangible fixed assets	4,460	(4,460)	-
Employee benefits	13,623	(13,623)	-
	<u>18,083</u>	<u>(18,083)</u>	<u>-</u>

Movement in deferred tax during the prior year:

	1 July 2021	Recognised in income statement	30 June 2022
	£	£	£
Tangible fixed assets	5,439	(979)	4,460
Employee benefits	10,960	2,663	13,623
	<u>16,399</u>	<u>1,684</u>	<u>18,083</u>

Deferred tax asset is included in debtors (see note 9).

Notes (continued)

12 Employee benefits

Defined contribution pension plan

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £97,249 (2022: £109,458).

There was an outstanding pension contribution at the end of the financial year for £48,715 (2022: £54,491).

13 Capital and reserves

Share capital

	2023	2022
	£	£
<i>Allotted, called up and fully paid</i>		
897,000 ordinary shares of 0.1p each	897	897

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company.

14 Related party disclosures

Transactions with key management personnel

Key management personnel consist of directors of the company. The Company has claimed an exemption in respect of disclosures of the compensation of Key Management Personnel.

Transactions with related parties

The Company has claimed an exemption in respect of disclosures of transactions with wholly owned subsidiaries. There were no transactions with other related parties.

15 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company is a wholly owned subsidiary of Enero Group Limited which is the ultimate parent company incorporated in Australia.

The largest group in which the results of the Company are consolidated is that headed by Enero Group Limited, incorporated in Australia. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from Level 2, 100 Harris Street, Pyrmont, NSW 2009, Australia.

16 Accounting estimates and judgements

The preparation of financial statements in conformity with UK Generally Accepted Accounting Practices (including FRS 101 Reduced Disclosure Framework) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

There are no critical accounting estimates and judgements.