

Registered number: 04883755

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

COMPANY INFORMATION

Directors	S Pomeroy C Daruvalla (appointed 24 August 2022) R George (appointed 24 August 2022)
Registered number	04883755
Registered office	8-10 Mansion House Place London EC4N 8BJ
Independent auditor	James Cowper Kreston Audit Chartered Accountants and Statutory Auditor Cumnor Hill Oxford Oxfordshire OX2 9GG

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The Company was dormant until 14 October 2022, when it acquired Cavendish Consulting Limited, the holding company of a group of public affairs and political communications consultancies and a social media management technology company.

Consideration for the transaction was £7.7 million as set out in note 25 to these accounts, part-funded by a £4.3 million term loan and a £1 million revolving credit facility from Triple Point plc.

These financial statements set out the Consolidated results for the Cavendish Consulting Group Limited group of companies for the 24 weeks from the acquisition of Cavendish Consulting Limited on 14 October 2022 to the date of these financial statements, 31 March 2023.

The Company is owned and controlled by its management.

Business review

In the year to 31 March 2023, the Company's acquiree, 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. Fees billed for the subsidiary group for the 12 months ended 31 March 2023 (as set out in the financial statements of Cavendish Consulting Limited) were £11.73 million (2022: £10.53 million) and earnings before interest, tax, depreciation, amortisation and exceptional items were £1.5m (2022: £1.4m). This is after an operating loss of £333,907 (2022: loss of £262,748) in subsidiary Crowd Technologies Limited (see below).

On 5 September 2022, Cavendish Consulting Limited acquired the remaining 20% minority interest in Crowd Technologies Limited from its founder. In February 2023 'X' (formerly Twitter) announced significant changes to its partner programme, as a result of which the SoCrowd social media management platform offered by Crowd Technologies Limited ceased to be commercially 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, and operating costs within Crowd Technologies Limited are now substantially reduced.

For the 24 weeks following the acquisition of the Cavendish Consulting Limited group this software IP write-off of £0.8m, acquisition and restructuring costs of £0.2m, amortisation of acquired intangible assets and goodwill of £0.2m and debt interest of £0.2m took the group from an operating profit of £0.6m to a loss before tax of £1.0m.

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. The Group has managed its interest rate risk by fixing its borrowing rate through to October 2027.

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, 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 GROUP LIMITED (FORMERLY BECG 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


As the Company was dormant in the year ended 31 March 2022 and the Group results are representative from the acquisition date of 14 October 2022, these results do not incorporate prior period comparatives. Further information relating to the subsidiary entities for the 12 month period ended 31 March 2023 is disclosed in the financial statements of the company's subsidiary Cavendish Consulting Limited, company 03096503.

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.

Financial key performance indicators for the Group are as follows:

	Year to March 2023 (24 week trading period after acquisition of Group)
Fee income	£5.19m
Recharges to clients	£0.51m
Technology licence income	£0.25m
Average fee-earner headcount	105
Fee income per fee-earner	£49,429
Fee-earner salary costs as a % of fee income	33.1%
Other costs as a % of fee income	35.2%
Profit before exceptional items and amortisation of goodwill	£517,971
Profit before exceptionals and amortisation as % of fee income	10%

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


.....
C Daruvalla
Director

Date: 14 December 2023

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG 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:

S Pomeroy
C Daruvalla (appointed 24 August 2022)
R George (appointed 24 August 2022)

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

The Company's principal activity is a holding company.

Results and dividends

The loss for the year, after taxation, amounted to £910,252 (2022 - nil profit or loss).

During the year ended 31 March 2023, the Directors did not declare a dividend in the Company (2022: £NIL).

Matters covered in the Group Strategic Report

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

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

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.

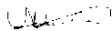
Post balance sheet events

There have been no significant events affecting the Group since the year end.

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 GROUP LIMITED (FORMERLY BECG LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

Opinion

We have audited the financial statements of Cavendish Consulting Group Limited (formerly BECG Limited) (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the 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 GROUP LIMITED (FORMERLY BECG LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG 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 GROUP LIMITED (FORMERLY BECG LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG 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.

Other matters

The financial statements for the year ended 31 March 2022 were unaudited.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAVENDISH CONSULTING GROUP
LIMITED (FORMERLY BECG 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

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

Date: 14 December 2023

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

	Note	2023 £	2022 £
Turnover	4	5,944,086	-
Cost of sales		<u>(3,622,649)</u>	-
Gross profit		2,321,437	-
Administrative expenses		(1,685,210)	-
Depreciation and amortisation	5	(434,482)	-
Exceptional expenditure	11	<u>(1,036,305)</u>	-
Operating (loss)/profit	5	(834,560)	-
Interest receivable and similar income		1	-
Interest payable and similar expenses	9	<u>(197,637)</u>	-
(Loss)/profit before taxation		(1,032,196)	-
Tax on (loss)/profit	10	<u>121,944</u>	-
(Loss)/profit for the financial year		<u>(910,252)</u>	-
(Loss) for the year attributable to:			
Owners of the parent Company		<u>(910,252)</u>	-
		<u>(910,252)</u>	-
Total comprehensive income for the year attributable to:			
Owners of the parent Company		<u>(910,252)</u>	-
		<u>(910,252)</u>	-

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

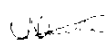
The notes on pages 17 to 38 form part of these financial statements.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)
REGISTERED NUMBER: 04883755

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	5,529,963	-
Tangible assets	13	190,115	-
		<u>5,720,078</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	15	3,476,724	1,000
Cash at bank and in hand	16	946,931	-
		<u>4,423,655</u>	<u>1,000</u>
Creditors: amounts falling due within one year	17	(3,665,396)	-
Net current assets		<u>758,259</u>	<u>1,000</u>
Total assets less current liabilities		<u>6,478,337</u>	<u>1,000</u>
Creditors: amounts falling due after more than one year	18	(4,044,099)	-
Provisions for liabilities			
Deferred taxation	21	(43,202)	-
Provisions	22	(50,000)	-
		<u>(93,202)</u>	<u>-</u>
Net assets		<u><u>2,341,036</u></u>	<u><u>1,000</u></u>
Capital and reserves			
Called up share capital	23	25,500	1,000
Share premium account	24	3,234,000	-
Profit and loss account	24	(918,464)	-
Equity attributable to owners of the parent Company		<u>2,341,036</u>	<u>1,000</u>
		<u><u>2,341,036</u></u>	<u><u>1,000</u></u>

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

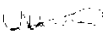
The notes on pages 17 to 38 form part of these financial statements.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)
REGISTERED NUMBER: 04883755

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	14	7,733,511	-
Current assets			
Debtors: amounts falling due within one year	15	531,133	1,000
Cash at bank and in hand	16	404,997	-
		<u>936,130</u>	<u>1,000</u>
Creditors: amounts falling due within one year	17	(1,072,306)	-
Net current (liabilities)/assets		<u>(136,176)</u>	<u>1,000</u>
Total assets less current liabilities		<u>7,597,335</u>	<u>1,000</u>
Creditors: amounts falling due after more than one year	18	(4,044,099)	-
Net assets		<u><u>3,553,236</u></u>	<u><u>1,000</u></u>
Capital and reserves			
Called up share capital	23	25,500	1,000
Share premium account	24	3,234,000	-
Profit for the year		293,736	-
Profit and loss account carried forward		293,736	-
		<u><u>3,553,236</u></u>	<u><u>1,000</u></u>

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 38 form part of these financial statements.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2022	1,000	-	-	1,000
Loss for the year	-	-	(910,252)	(910,252)
Shares issued during the year	24,500	3,234,000	-	3,258,500
Other movement	-	-	(8,212)	(8,212)
At 31 March 2023	25,500	3,234,000	(918,464)	2,341,036

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

	Called up share capital	Total equity
	£	£
At 1 April 2021	1,000	1,000
At 31 March 2022	1,000	1,000

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2022	1,000	-	-	1,000
Profit for the year	-	-	293,736	293,736
Shares issued during the year	24,500	3,234,000	-	3,258,500
At 31 March 2023	25,500	3,234,000	293,736	3,553,236

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

	Called up share capital	Total equity
	£	£
At 1 April 2021	1,000	1,000
At 31 March 2022	1,000	1,000

The notes on pages 17 to 38 form part of these financial statements.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(910,252)	-
Adjustments for:		
Amortisation of intangible assets	391,918	-
Depreciation of tangible assets	42,062	-
Impairments of intangible assets	799,333	-
Loss on disposal of tangible assets	752	-
Interest paid	197,637	-
Interest received	(1)	-
Taxation charge	121,944	-
Decrease in debtors	1,219,721	-
(Decrease)/increase in creditors	(1,781,797)	-
Corporation tax (paid)/received	(44,466)	-
Net cash generated from operating activities	36,851	-
Cash flows from investing activities		
Purchase of intangible fixed assets	(226,370)	-
Purchase of tangible fixed assets	(46,230)	-
Purchase of subsidiary undertakings, net of cash acquired	718,551	-
Interest received	1	-
Net cash from investing activities	445,952	-
Cash flows from financing activities		
Issue of shares	783,636	-
New secured loans	828,267	-
Repayment of loans	(779,138)	-
Transaction costs on loans	(171,000)	-
Interest paid	(197,637)	-
Net cash used in financing activities	464,128	-
Net increase in cash and cash equivalents	946,931	-

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Cash and cash equivalents at the end of year	946,931	-
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	946,931	-
	946,931	-

The notes on pages 17 to 38 form part of these financial statements.

During the year ended 31 March 2023, the Company issued shares with a value of £2,474,864 as a transfer with nil cash consideration as part of the Group restructure.

During the year ended 31 March 2023, the Company secured loan facilities of £5,100,000. £4,271,733 of the facility was used to immediately settle other long-term debts and facilities and was not received into the Company.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023**

	Cash flows	Acquisition and disposal of subsidiaries	Other non- cash changes	At 31 March 2023
	£	£	£	£
Cash at bank and in hand	(991,553)	1,938,484	-	946,931
Debt due after 1 year	49,129	-	(3,694,970)	(3,645,841)
Debt due within 1 year	-	-	(513,564)	(513,564)
	<u>(942,424)</u>	<u>1,938,484</u>	<u>(4,208,534)</u>	<u>(3,212,474)</u>

The notes on pages 17 to 38 form part of these financial statements.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

1. General information

Cavendish Consulting Group Limited (formerly BECG Limited) is a private limited company, incorporated and domiciled in England and Wales with registered number 04883755.

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

The following principal accounting policies have been applied:

2.2 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.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

2. Accounting policies (continued)

2.3 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.

2.4 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.

2.5 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.

2.6 Interest income

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

2.7 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.

2.8 Borrowing costs

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

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 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.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

2. Accounting policies (continued)

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

2. Accounting policies (continued)

2.20 Financial instruments (continued)

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with 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.

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.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG 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.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG 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	5,192,521	-
Technology licenses	246,165	-
Recharged expenses	505,400	-
	<u>5,944,086</u>	<u>-</u>

Analysis of turnover by country of destination:

	2023	2022
	£	£
United Kingdom	<u>5,944,086</u>	<u>-</u>

5. Operating (loss)/profit

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

	2023	2022
	£	£
Tangible fixed assets - depreciation	42,062	-
Intangible fixed assets - amortisation	391,918	-
Operating lease rentals - equipment	11,400	-
Operating lease rentals - buildings	244,255	-
Impairment of intangible fixed assets	<u>799,333</u>	<u>-</u>

6. Auditor's remuneration

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

	2023	2022
	£	£
Fees payable to the Group's auditor for the audit of the consolidated and parent Company's financial statements	27,750	-
Tax advisory services	11,750	-
Other accounting services	<u>11,500</u>	<u>-</u>

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG 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	2,555,662	-	-	-
Social security costs	253,626	-	-	-
Cost of defined contribution scheme	65,581	-	-	-
	<u>2,874,869</u>	<u>-</u>	<u>-</u>	<u>-</u>

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	2	1	2	1
Technology	14	-	-	-
Fee earners	105	-	-	-
Central	13	-	-	-
Marketing	5	-	-	-
	<u>139</u>	<u>1</u>	<u>2</u>	<u>1</u>

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	264,995	-
Group contributions to defined contribution pension schemes	7,896	-
	<u>272,891</u>	<u>-</u>

During the year retirement benefits were accruing to 3 Directors (2022 - NIL) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £131,217 (2022 - £NIL).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £3,829 (2022 - £NIL).

The value of the Group's contributions paid to a defined benefit pension scheme in respect of the highest paid Director amounted to £3,829 (2022 - £NIL).

Key management personnel consists of the Directors.

Directors are remunerated through other Group companies.

9. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	1,003	-
Other loan interest payable	190,585	-
Other interest payable	6,049	-
	<u>197,637</u>	<u>-</u>

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

10. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on (loss)/profit for the year	(141,101)	-
Adjustments in respect of previous periods	(1)	-
	<u>(141,102)</u>	<u>-</u>
Total current tax	<u>(141,102)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	19,158	-
Total deferred tax	<u>19,158</u>	<u>-</u>
Tax on (loss)/profit	<u>(121,944)</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - the same as) 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>(1,032,196)</u>	<u>-</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(196,117)	-
Effects of:		
Expenses not deductible for tax purposes	57,215	-
Capital allowances for year in excess of depreciation	(6,135)	-
Remeasurement of deferred tax for changes in tax rates	(12,376)	-
Movement in deferred tax not recognised	154,288	-
Adjustments to tax charge in respect of prior periods	(1)	-
Other timing differences leading to an increase (decrease) in taxation	(118,243)	-
Non-taxable income	(575)	-
Total tax charge for the year	<u>(121,944)</u>	<u>-</u>

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

10. Taxation (continued)

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%.

11. Exceptional items

	2023	2022
	£	£
Impairment of intangible assets	799,333	-
Group restructure expenses	225,167	-
Other exceptional expenditure	11,805	-
	<u>1,036,305</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).

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

12. Intangible assets

Group

	Development expenditure £	Trademarks £	Goodwill £	Total £
Cost				
At 1 April 2022	-	-	-	-
Additions	217,892	8,478	4,086,639	4,313,009
Disposals	-	(500)	-	(500)
On acquisition of subsidiaries	1,062,065	37,178	1,309,462	2,408,705
At 31 March 2023	<u>1,279,957</u>	<u>45,156</u>	<u>5,396,101</u>	<u>6,721,214</u>
Amortisation				
At 1 April 2022	-	-	-	-
Charge for the year	129,058	-	262,860	391,918
Impairment charge	799,333	-	-	799,333
At 31 March 2023	<u>928,391</u>	<u>-</u>	<u>262,860</u>	<u>1,191,251</u>
Net book value				
At 31 March 2023	<u>351,566</u>	<u>45,156</u>	<u>5,133,241</u>	<u>5,529,963</u>
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Parent Company does not own intangible assets.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

13. Tangible fixed assets

Group

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2022	-	-	-	-
Additions	11,867	21,022	13,341	46,230
Acquisition of subsidiary	14,617	22,745	149,337	186,699
Disposals	-	-	(1,793)	(1,793)
At 31 March 2023	<u>26,484</u>	<u>43,767</u>	<u>160,885</u>	<u>231,136</u>
Depreciation				
At 1 April 2022	-	-	-	-
Charge for the year on owned assets	1,456	4,767	35,839	42,062
Disposals	-	-	(1,041)	(1,041)
At 31 March 2023	<u>1,456</u>	<u>4,767</u>	<u>34,798</u>	<u>41,021</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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Parent Company does not own tangible fixed assets.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	-
Additions	7,733,511
At 31 March 2023	<u>7,733,511</u>

15. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	2,598,370	-	-	-
Amounts owed by group undertakings	-	-	531,133	-
Other debtors	504,753	-	-	-
Called up share capital not paid	-	1,000	-	1,000
Prepayments and accrued income	373,601	-	-	-
	<u>3,476,724</u>	<u>1,000</u>	<u>531,133</u>	<u>1,000</u>

16. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	<u>946,931</u>	<u>-</u>	<u>404,997</u>	<u>-</u>

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

17. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Other loans	513,564	-	513,564	-
Trade creditors	424,509	-	-	-
Deferred consideration	536,453	-	475,000	-
Other taxation and social security	1,111,452	-	-	-
Other creditors	94,476	-	-	-
Accruals and deferred income	984,942	-	83,742	-
	3,665,396	-	1,072,306	-

See note 19 for details on other loans.

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Other loans	3,744,099	-	3,744,099	-
Deferred consideration	300,000	-	300,000	-
	4,044,099	-	4,044,099	-

See note 19 for details on other loans.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

19. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Amounts falling due within one year				
Other loans	513,564	-	513,564	-
Amounts falling due 1-2 years				
Other loans	513,564	-	513,564	-
Amounts falling due 2-5 years				
Other loans	3,230,535	-	3,230,535	-
	<u>4,257,663</u>	<u>-</u>	<u>4,257,663</u>	<u>-</u>

Other loans represents a loan received from external parties in support of the Group restructure completed on 14 October 2022 and settlement of existing bank loans and other external lending facilities. These loans payable are in respect of the following:

Facility A - repayable over 5 years from the date of drawdown of the loan;

Facility B - repayable in one installment 5 years from the date of drawdown of the loan;

Revolving facility - repayable in one installment 3 years from the date of drawdown of the loan.

The total loan facility is interest bearing at a rate of 8.5% per annum and contains a fixed and floating charge over the assets of the Group.

20. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Cash	946,931	-	404,997	-
Financial assets measured at amortised cost	3,459,359	-	531,133	1,000
	<u>4,406,290</u>	<u>-</u>	<u>936,130</u>	<u>1,000</u>
Financial liabilities				
Financial liabilities measured at amortised cost	6,079,105	-	5,116,405	-

Financial assets measured at amortised cost comprise trade debtors, other debtors (excluding corporation tax), amounts owed by group companies (Parent Company only) and called up share capital not paid.

Financial liabilities measured at amortised cost comprise other loans, trade creditors, deferred consideration, other creditors and accruals.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

21. Deferred taxation

Group

	2023 £
Charged to profit or loss	(19,158)
Arising on business combinations	(24,044)
At end of year	(43,202)
	Group 2023 £
Accelerated capital allowances	(43,202)
	(43,202)

22. Provisions

Group

	Dilapidation provision £
Arising on business combinations	50,000
At 31 March 2023	50,000

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.

23. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
25,500 (2022 - 1,000) Ordinary shares of £1.00 each	25,500	1,000

On 14 October 2022, the Company allotted 24,500 Ordinary shares of £1 each for a total consideration of £3,258,500. 18,608 of these Ordinary shares were transferred from Cavendish Consulting Limited (formerly Built Environment Communications Group Limited) as a result of the group restructure.

Ordinary shares entitle each holder to one vote per share and the rights to participate in distributions.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

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

24. Reserves

Share premium account

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

Profit and loss account

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

25. Business combinations

On 14 October 2023, the Company acquired 100% of the shareholding of Cavendish Consulting Limited (formerly Built Environment Communications Group Limited).

Acquisition of Cavendish Consulting Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value £
Fixed Assets		
Tangible	186,701	186,701
Intangible	2,417,471	2,417,471
	<u>2,604,172</u>	<u>2,604,172</u>
Current Assets		
Debtors	4,695,445	4,695,445
Cash at bank and in hand	1,501,214	1,501,214
	<u>8,800,831</u>	<u>8,800,831</u>
Total Assets	<u>8,800,831</u>	<u>8,800,831</u>
Creditors		
Due within one year	(5,079,914)	(5,079,914)
Provisions for liabilities	(50,000)	(50,000)
Deferred taxation	(24,044)	(24,044)
	<u>3,646,873</u>	<u>3,646,873</u>
Total identifiable net assets	<u>3,646,873</u>	<u>3,646,873</u>
Goodwill		4,086,639
Total purchase consideration		<u>7,733,512</u>

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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25. Business combinations (continued)

Consideration

	£
Cash	782,663
Equity instruments	2,474,864
Debt instruments	3,662,454
Deferred consideration	775,000
Directly attributable costs	38,531
Total purchase consideration	<u>7,733,512</u>

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	782,663
Directly attributable costs	28,530
	<u>811,193</u>
Less: Cash and cash equivalents acquired	(1,501,214)
Net cash inflow on acquisition	<u>(690,021)</u>

The goodwill arising on acquisition is attributable to the profitability of the acquired business. It will not be deductible for tax purposes.

The consolidated results of Cavendish Consulting Limited (and its subsidiaries) since acquisition are as follows:

	Current period since acquisition £
Turnover	<u>5,944,086</u>
Profit for the period since acquisition (after exceptional expenditure)	<u>126,053</u>

26. 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 Group to the fund and amounted to £65,581 (2022 - £Nil). Contributions totalling £50,413 (2022 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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27. Commitments under operating leases

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

	Group 2023 £	Group 2022 £
Not later than 1 year	276,040	-
Later than 1 year and not later than 5 years	178,040	-
	<hr/> 454,080 <hr/>	<hr/> - <hr/>

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

28. Related party transactions

The Company and Group 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.

29. Controlling party

The Directors do not consider there to be one ultimate controlling party.

CAVENDISH CONSULTING GROUP LIMITED (FORMERLY BECG LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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30. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

The Companies Cavendish Advocacy Limited, Liberty One Communications Limited, Crowd Technologies Limited and BECG Limited (formerly BECG Infrastructure & Energy Limited), wholly-owned subsidiaries of Cavendish Consulting Group Limited, and registered in England and Wales under numbers 04774407, SC537118, 07055592 and 02393011 respectively, are exempt from the requirement of the Companies Act 2006 in relation to the audit of individual annual financial statements by virtue of Section 479A and Section 479C of the Companies Act 2006.