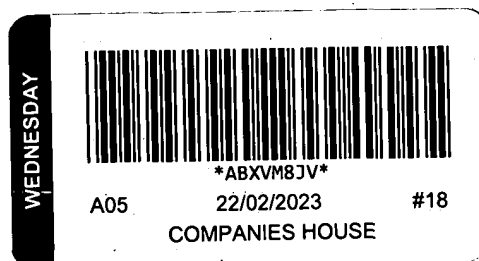


Edison Investment Research Limited

Annual report and financial statements

For the year ended 30 June 2022

Registered number: 04794244



Company Information

Directors	T E Carless N K Shah F C Thorne
Company secretary	F C Thorne
Registered number	04794244
Registered office	280 High Holborn London WC1V 7EE
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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Directors' report

For the year ended 30 June 2022

The directors present their annual report together with the audited financial statements of Edison Investment Research Limited ('the company') for the year ended 30 June 2022.

Results and dividends

The profit for the year, after taxation, amounted to £70,237 (2021 - profit £237,911).

Directors

The directors who served during the year were:

T E Carless
N K Shah
F C Thorne
P R Molloy (resigned 15 June 2022)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report, the Strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Matters covered in the strategic report

The company has chosen in accordance with s414C(11) Companies Act 2006 to set out in the company's Strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained on the Directors' report. It has done so in respect of discussion of risk exposure and future developments.

Directors' report (continued)

For the year ended 30 June 2022

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'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's auditor is aware of that information.

Auditor

The auditor, Buzzacott LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 February 2023 and signed on its behalf by:

Tom Carless

T E Carless
Director

Strategic report

For the year ended 30 June 2022

Principal activities

Edison Investment Research Limited is a wholly owned subsidiary of Edison Global Limited.

Edison was founded in 2003 and today is an international investor relations company. Edison publishes content that is extensively read by international investors, advisors, and stakeholders. We leverage our core content platform and sector expertise to provide bespoke investor relations services. Our network of professionals enables Edison to connect companies with investors on a global basis, reflecting the increasingly cross border nature of capital markets.

Strategy

Edison's purpose is to introduce our clients to new pools of capital. Through the creation and leverage of insightful content, supported by more than 90 investment professionals, we identify buyers for our client's stock. Our investor community is global, informed, relevant and unique to Edison.

The company will continue to invest in the creation and development of digital content. We will focus on innovative processes that extend Edison's ability to connect companies to investors, unencumbered by regulation. We will invest to broaden and deepen our relationships with different pools of international capital. As part of this process, the continued development of our website, digital content, investor intelligence & data analytics applications will shape our competitive advantage. The directors will consider bolt on acquisitions that accelerate growth and are EBITDA accretive.

Performance Review

The directors are pleased with the resilience shown by the company in recent turbulent times.

- Company revenue increased to £9.8m, growth of circa 4.4% year on year.
- Underlying EBITDA, before foreign exchange and investment, totalled £0.7m.
- Total net cash and cash equivalent closed the year at £1.583m (2021: £2.524m).

The full reconciliation to the company's underlying profits is shown below:

	2022	2021
Statutory Operating Profit	80	371
Add back depreciation/amortisation	421	318
Add back investment	380	-
Foreign exchange	-151	149
Adjusted EBITDA	730	798

Management of Risks

Client Risk

We are not heavily exposed to the loss of a single client. However, we operate in certain sectors (Oil, Mining, Healthcare) where a company's financial stability is impacted by single, binary events (failure of a drug trial, oil drilling results etc.) This results in a bad debt risk and the risk of contract termination due to non-controllable factors.

Competitive Environment

We operate in a regulated market. There are several service providers offering similar or competing products. However, we are building stronger relationships with our client base and investing heavily in areas where our proposition is unique.

Strategic report (continued)

For the year ended 30 June 2022

Management of Risks (continued)

IT Systems

We have invested heavily in IT systems over the past two years and this investment will continue in the near term. Our IT strategy is to host key systems in the cloud with providers maintaining full tier one data centres and DR solutions.

Data Risk

Edison distributes its content to a large group of professional and retail investors. To facilitate this, we hold limited amounts of personal data: email address; contact details; investment preferences and readership preferences. We do not hold client money, bank account details, financial or special category data across our readership.

While every practical measure is taken to ensure compliance with data protection legislation and appropriate measures taken to secure this data, it is not possible to mitigate fully the risk of a data breach.

Going Concern

Our going concern analysis is performed at a Group level with disclosure requirements satisfied in the accounts of Edison Global Limited, the parent company of Edison Investment Research.

Future Developments

We will continue to invest in our business and its people. We believe the business is well positioned for long term, sustainable growth. 2023 will be a further year of investment with key IT systems being replaced and enhanced as we improve the value proposition of our services.

This report was approved by the board on 13 February 2023 and signed on its behalf by:

Tom Carless

T E Carless

Director

Independent auditor's report to the members of Edison Investment Research Limited

For the year ended 30 June 2022

Opinion

We have audited the financial statements of Edison Investment Research Limited ('the company') for the year ended 30 June 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the 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 company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our 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.

Independent auditor's report to the members of Edison Investment Research Limited (continued)

For the year ended 30 June 2022

Other information (continued)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the Strategic 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report or the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 financial statements.

Independent auditor's report to the members of Edison Investment Research Limited (continued)

For the year ended 30 June 2022

Auditor's responsibilities for the audit of the financial statements (continued)

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

How the audit was considered capable of detecting irregularities including fraud

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

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing regulated investment research firms;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with members and other management at the planning stage, and from our knowledge and experience of regulated investment research firms;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006, The Financial Services and Markets Act 2000, employment legislation and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- reviewing legal expenditure and correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

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

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries throughout the year to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the company's management;
- reviewed research contracts and agreed amounts back to the nominal ledger to ensure the completeness of income; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

Independent auditor's report to the members of Edison Investment Research Limited (continued)

For the year ended 30 June 2022

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:


- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

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.

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.



Philip Westerman (Senior statutory auditor)
for and on behalf of

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

16 February 2023

Statement of comprehensive income

For the year ended 30 June 2022

	Note	2022 £	2021 £
Turnover	4	9,807,507	9,393,988
Cost of sales		(5,193,224)	(5,030,179)
Gross profit		4,614,283	4,363,809
Administrative expenses		(4,534,562)	(3,992,407)
Operating profit	5	79,721	371,402
Interest receivable and similar income	9	3,040	1,123
Interest payable and similar expenses	10	(37,460)	(33,232)
Profit before tax		45,301	339,293
Tax on profit	11	24,936	(101,382)
Profit for the financial year		70,237	237,911
Other comprehensive income for the year			
Difference on foreign exchange		8,219	(8,886)
Other comprehensive income for the year		8,219	(8,886)
Total comprehensive income for the year		78,456	229,025

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

All amounts relate to continuing operations.

The notes on pages 12 to 28 form part of these financial statements.

Statement of financial position

As at 30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	1,260,012	768,075
Tangible assets	13	130,217	181,440
Investments	14	53,231	53,231
		<u>1,443,460</u>	<u>1,002,746</u>
Current assets			
Debtors: amounts falling due within one year	15	4,010,622	3,353,526
Cash at bank and in hand	16	1,583,051	2,524,293
		<u>5,593,673</u>	<u>5,877,819</u>
Creditors: amounts falling due within one year	17	(5,962,167)	(5,632,988)
Net current (liabilities)/assets		<u>(368,494)</u>	<u>244,831</u>
Total assets less current liabilities		<u>1,074,966</u>	<u>1,247,577</u>
Creditors: amounts falling due after more than one year	18	(525,000)	(750,000)
Provisions for liabilities			
Deferred tax	20	(144,939)	(169,875)
Other provisions	21	(157,366)	(178,643)
		<u>(302,305)</u>	<u>(348,518)</u>
Net assets		<u>247,661</u>	<u>149,059</u>
Capital and reserves			
Called up share capital	22	18,815	18,815
Share premium account	24	722,570	722,570
Other reserves	24	385,127	364,981
Profit and loss account	24	(878,851)	(957,307)
		<u>247,661</u>	<u>149,059</u>

The financial statements were approved and authorised for issue by the board on 13 February 2023 and were signed on its behalf by:

Tom Carless

T E Carless
Director

The notes on pages 12 to 28 form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2022

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2021	18,815	722,570	364,981	(957,307)	149,059
Comprehensive income for the year					
Profit for the year	-	-	-	70,237	70,237
Foreign exchange movement	-	-	-	8,219	8,219
Total comprehensive income for the year	-	-	-	78,456	78,456
Movement arising in relation to share options	-	-	20,146	-	20,146
Total transactions with owners	-	-	20,146	-	20,146
At 30 June 2022	18,815	722,570	385,127	(878,851)	247,661

The notes on pages 12 to 28 form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2021

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2020	18,815	722,570	364,981	(1,186,332)	(79,966)
Comprehensive income for the year					
Profit for the year	-	-	-	237,911	237,911
Foreign exchange movement	-	-	-	(8,886)	(8,886)
Total comprehensive income for the year	-	-	-	229,025	229,025
Total transactions with owners	-	-	-	-	-
At 30 June 2021	18,815	722,570	364,981	(957,307)	149,059

The notes on pages 12 to 28 form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2022

1. General information

Edison Investment Research Limited is a private company limited by shares and was incorporated in England and Wales. The registered office and principal place of business is 280 High Holborn, London, WC1V 7EE. The registered number is 04794244.

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' ('FRS 102') and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Consolidation

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Edison Global Limited a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Edison Global Limited as at 30 June 2022 and these financial statements may be obtained from Companies House.

2.4 Going concern

Our going concern analysis is performed at a Group level with disclosure requirements satisfied in the accounts of Edison Global Limited, the parent company of Edison Investment Research.

The directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

Notes to the financial statements

For the year ended 30 June 2022

2. Accounting policies (continued)

2.5 Turnover

Turnover comprises turnover recognised by the company in respect of investment research and other associated services supplied during the year, exclusive of Value Added Tax.

Research income is recognised on a straight line basis over the term of the contract. Advance payments by customers are recorded as deferred income. Turnover on ad hoc services is recognised once the services have been delivered and the entity has earned the right to consideration.

2.6 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.

2.7 Dividends

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.9 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.

Amortisation on intangible assets is charged to administrative expenses.

The amortisation period used for these intangible assets is 36 months and the remaining useful economic lives of these assets range from 4 to 36 months as at the year end date.

2.10 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.

Notes to the financial statements

For the year ended 30 June 2022

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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:

Fixtures and fittings	-	10% to 33% straight line
Computer equipment	-	33% straight line

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

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

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 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.

2.13 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.

2.14 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

2.15 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Notes to the financial statements

For the year ended 30 June 2022

2. Accounting policies (continued)

2.16 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.

2.17 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.18 Operating leases: the company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.19 Interest income

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

Notes to the financial statements

For the year ended 30 June 2022

2. Accounting policies (continued)

2.20 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 reporting date in the countries where the company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Bad debt provision

The company's policy is to provide for all client debt that is older than 120 days unless specific information exists, or is made available, to indicate that the debt will be recovered in full. Such information considered in this process includes any temporary circumstances delaying client payment; client payment plans that are being adhered to; bank confirmation of full or partial payment; or the existence of a future event that will lead to full settlement of the client's account. This policy is based on an analysis of the company's historical bad debt exposure. Specific client risks are also taken into consideration. The policy is subject to review on a regular basis and will be amended if it is considered not to provide a fair and accurate reflection of the risk.

Notes to the financial statements

For the year ended 30 June 2022

4. Turnover

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	8,703,417	8,136,380
Germany	1,104,090	1,239,169
Rest of Europe	-	18,439
	<u>9,807,507</u>	<u>9,393,988</u>

Turnover is wholly attributable to the principal activity of the company.

5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	110,395	69,416
Amortisation of intangible assets	311,029	249,633
Exchange differences	(151,898)	148,767
Other operating lease rentals	360,282	403,646
	<u>360,282</u>	<u>403,646</u>

6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>24,000</u>	<u>73,310</u>

Fees payable to the company's auditor and its associates in respect of:

	2022	2021
Accounts preparation	2,500	4,000
FCA assurance work	3,500	8,000
Taxation compliance services	4,250	10,000
	<u>10,250</u>	<u>22,000</u>

Notes to the financial statements

For the year ended 30 June 2022

7. Staff costs and average number of employees

Staff costs during the year, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	4,809,641	4,971,217
Social security costs	661,469	684,736
Cost of defined contribution scheme	450,829	306,277
	<u>5,921,939</u>	<u>5,962,230</u>

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

	2022 No.	2021 No.
Employees	<u>82</u>	<u>75</u>

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	439,848	604,807
Company contributions to defined contribution pension schemes	30,588	-
	<u>470,436</u>	<u>604,807</u>

The highest paid director received remuneration of £172,603 (2021 - £204,581).

During the year retirement benefits were accruing to 3 directors (2021: 3) in respect of defined contribution pension schemes.

No directors exercised share options during the year (2021: nil).

9. Interest receivable

	2022 £	2021 £
Other interest receivable	3,040	1,123
	<u>3,040</u>	<u>1,123</u>

Notes to the financial statements

For the year ended 30 June 2022

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	25,993	13,500
Preference share dividends	11,467	19,732
	<u>37,460</u>	<u>33,232</u>

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	-	101,382
	<u>-</u>	<u>101,382</u>
Total current tax	<u>-</u>	<u>101,382</u>
Deferred tax		
Fixed asset timing differences	(26,037)	-
Short term timing differences	1,101	-
Total deferred tax	<u>(24,936)</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>(24,936)</u>	<u>101,382</u>

Notes to the financial statements

For the year ended 30 June 2022

11. Taxation (continued)

Factors affecting tax charge for the year

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

	2022 £	2021 £
Profit on ordinary activities before tax	45,301	339,293
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	8,607	64,466
Effects of:		
Fixed asset differences	(41,360)	(15,241)
Expenses not deductible for tax purposes	13,706	16,354
Adjustments to tax charge in respect of prior periods	-	(5,452)
Adjustments to tax charge in respect of prior periods - deferred tax	-	485
Difference in tax rates	(5,985)	40,770
Other permanent differences	96	-
Total tax charge for the year	(24,936)	101,382

Factors that may affect future tax charges

On 10 June 2021, the Finance Bill 2021 received Royal Assent. The Bill confirms an increase in the corporation tax rate from 1 April 2023. From this date, the rate will taper from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000.

Notes to the financial statements

For the year ended 30 June 2022

12. Intangible assets

	Computer software £
Cost	
At 1 July 2021	1,191,961
Additions	802,966
Disposals	(432,186)
At 30 June 2022	<u>1,562,741</u>
Amortisation	
At 1 July 2021	423,886
Charge for the year on owned assets	311,029
On disposals	(432,186)
At 30 June 2022	<u>302,729</u>
Net book value	
At 30 June 2022	<u><u>1,260,012</u></u>
At 30 June 2021	<u><u>768,075</u></u>

Notes to the financial statements

For the year ended 30 June 2022

13. Tangible fixed assets

	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation			
At 1 July 2021	629,923	311,399	941,322
Additions	33,605	25,567	59,172
Disposals	(61,347)	(253,493)	(314,840)
At 30 June 2022	602,181	83,473	685,654
Depreciation			
At 1 July 2021	499,159	260,723	759,882
Charge for the year	75,053	35,342	110,395
Disposals	(61,347)	(253,493)	(314,840)
At 30 June 2022	512,865	42,572	555,437
Net book value			
At 30 June 2022	89,316	40,901	130,217
At 30 June 2021	130,764	50,676	181,440

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2021	53,231
At 30 June 2022	53,231

Notes to the financial statements

For the year ended 30 June 2022

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Edison Investment Research Inc.	1185 Avenue of the Americas, 3rd Floor, New York, NY 10036, USA	Ordinary	100%
Edison Investment (NZ) Limited	PO Box 10293, Te Rapa, Hamilton 3241, New Zealand	A Ordinary	100%
Edison Investment Pty Limited	11 Ontario Ave, Roseville, NSW 2069, Australia	Ordinary	100%
Edison Investment Research (Israel) Limited	60 Medinat Hayehudim, Herzilya Pituach, 4676652, Israel	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Edison Investment Research Inc.	691,129	(95,380)
Edison Investment (NZ) Limited	(100,616)	25,693
Edison Investment Pty Limited	(328,699)	(209,806)
Edison Investment Research (Israel) Limited	(133,108)	220,465

Notes to the financial statements

For the year ended 30 June 2022

15. Debtors

	2022 £	2021 £
Trade debtors	1,398,662	1,101,232
Amounts owed by group undertakings	1,490,172	1,056,139
Other debtors	539,207	497,801
Prepayments and accrued income	530,774	646,547
Tax recoverable	51,807	51,807
	4,010,622	3,353,526

An impairment loss of £nil (2021: £165,057) was recognised against trade debtors.

16. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,583,051	2,524,293
	1,583,051	2,524,293

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	225,000	150,000
Trade creditors	1,469,955	1,082,704
Amounts owed to group undertakings	250,622	-
Corporation tax	-	96,159
Other taxation and social security	195,418	215,347
Dividends accrued	21,984	13,281
Other creditors	37,880	39,984
Accruals and deferred income	3,706,308	3,925,602
Share capital treated as debt	55,000	109,911
	5,962,167	5,632,988

A loan of £900,000 was secured under the UK Government's Coronavirus Business Interruption Loan Scheme and is repayable over a term of 60 months. The loan carries an interest rate of 2.96% over Bank of England base rate.

Notes to the financial statements

For the year ended 30 June 2022

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

	2022 £	2021 £
Bank loans	525,000	750,000
	<u>525,000</u>	<u>750,000</u>

19. Loans

Analysis of the maturity of loans is given below:

	2022 £
Amounts falling due within one year	
Bank loans	225,000
	<u>225,000</u>
Amounts falling due 1-2 years	
Bank loans	225,000
	<u>225,000</u>
Amounts falling due 2-5 years	
Bank loans	300,000
	<u>300,000</u>
	<u>750,000</u>

20. Deferred taxation

	2022 £
At beginning of year	(169,875)
Credited to profit or loss	24,936
At end of year	<u><u>(144,939)</u></u>

Notes to the financial statements

For the year ended 30 June 2022

20. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(153,758)	(179,795)
Short term timing differences	8,819	9,920
	<u>(144,939)</u>	<u>(169,875)</u>

21. Provisions

	Holiday pay provision £
At 1 July 2021	178,643
Credited to profit or loss	(21,277)
At 30 June 2022	<u>157,366</u>

22. Share capital

	2022 £	2021 £
Shares classified as equity		
Allotted, called up and fully paid		
376,313 (2021 - 376,313) Ordinary A shares shares of £0.05 each	<u>18,815</u>	<u>18,815</u>
	2022 £	2021 £
Shares classified as debt		
Allotted, called up and fully paid		
55,000 (2021 - 109,911) Cumulative redeemable preference shares shares of £1 each	<u>55,000</u>	<u>109,911</u>

Notes to the financial statements

For the year ended 30 June 2022

22. Share capital (continued)

There are no B shares in issue.

The preference shares carry a fixed cumulative preference dividend at a rate of 10% per annum, calculated on a daily basis. The dividend is payable annually. No voting rights are attached to the Preference Shares. The Preference shares were originally redeemable in 2016, however this redemption right was waived by in excess of 75% of the holders of the Preference Shares, in accordance with the provisions outlined in the Articles.

During the year, 50% of the preference shares were redeemed at a cost of £54,911.

23. Share options

Edison Global Limited operates an EMI share option scheme available to employees (of its subsidiaries) meeting specific qualifying criteria. The previous scheme was cancelled and replaced by a new scheme in which a total of 103,365 options were granted over B ordinary shares of 0.05p each.

During 2022, no new options were issued and 800 options lapsed due to option holders ceasing their employment in that period. The options may be exercised by an option holder upon the occurrence of an Exit Event. The Exit Event is defined as a disposal, listing or share sale or such other event as the directors may determine to be an Exit Event.

Options have been issued in 7 tranches, each with specific vesting criteria. In order for any option to vest, the above noted Exit Event has occurred.

The total expense recognised in the year was £20,146 in respect of the scheme (2021: £37,480).

24. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from this share premium.

Other reserves

Includes the share option reserve.

Profit and loss account

Includes all current and prior period retained profits and losses.

25. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £450,829 (2021 - £306,277). Contributions totalling £35,178 (2021 - £39,680) were payable to the fund at the reporting date and are included in creditors.

Notes to the financial statements

For the year ended 30 June 2022

26. Commitments under operating leases

At 30 June 2022, the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	259,250	518,500
Later than 1 year and not later than 5 years	-	259,250
	<u>259,250</u>	<u>777,750</u>

27. Related party transactions

The company has taken advantage of the exemptions available under FRS 102 regarding transactions with entities that are part of the group headed by Edison Global Limited, on the grounds that all subsidiary undertakings which are party to such transactions are wholly owned members of the group.

Tom Teichman

Tom Teichman was appointed as a non-executive director of Edison Global Ltd on 9 May 2016 and invoices Edison once a year for his services, a total of £20,000 (2021: £20,000).

28. Controlling party

The ultimate parent undertaking is Edison Global Limited. The only group of undertakings for which group financial statements are prepared is headed by Edison Global Limited, a company incorporated in England. Group financial statements of Edison Global Limited are available to the public from Companies House. In the opinion of the directors, there is no ultimate controlling party.