

Strat7 Limited (formerley Research Bods Online Ltd)

Financial Statements

For the year ended 30 June 2022

For Filing with Registrar

Company Registration No. 07642707 (England and Wales)

Strat7 Limited (formerley Research Bods Online Ltd)

Company Information

Directors	B Brien A Knight J Clough
Company number	07642707
Registered office	4th Floor 21 Queen Street Leeds United Kingdom LS1 2TW
Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL

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Strat7 Limited (formerley Research Bods Online Ltd)

Balance Sheet

As at 30 June 2022

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	4	874,517	615,265
Tangible assets	5	177,819	134,825
		<u>1,052,336</u>	<u>750,090</u>
Current assets			
Debtors	6	3,073,929	2,091,491
Cash at bank and in hand		737,068	1,434,611
		<u>3,810,997</u>	<u>3,526,102</u>
Creditors: amounts falling due within one year	7	<u>(2,913,086)</u>	<u>(2,645,089)</u>
Net current assets		<u>897,911</u>	<u>881,013</u>
Total assets less current liabilities		<u>1,950,247</u>	<u>1,631,103</u>
Provisions for liabilities		<u>(87,016)</u>	<u>9,660</u>
Net assets		<u><u>1,863,231</u></u>	<u><u>1,640,763</u></u>
Capital and reserves			
Called up share capital	9	1,136	1,136
Profit and loss reserves		1,862,095	1,639,627
Total equity		<u><u>1,863,231</u></u>	<u><u>1,640,763</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27 February 2023 and are signed on its behalf by:

A Knight
Director

Company Registration No. 07642707

Strat7 Limited (formerley Research Bods Online Ltd)

Statement of Changes in Equity

For the year ended 30 June 2022

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 July 2020	1,136	1,640,160	1,641,296
Period ended 30 June 2021:			
Profit and total comprehensive income for the period	-	749,467	749,467
Dividends	-	(750,000)	(750,000)
Balance at 30 June 2021	1,136	1,639,627	1,640,763
Period ended 30 June 2022:			
Profit and total comprehensive income for the period	-	672,468	672,468
Dividends	-	(450,000)	(450,000)
Balance at 30 June 2022	1,136	1,862,095	1,863,231

Strat7 Limited (formerley Research Bods Online Ltd)

Notes to the Financial Statements

For the year ended 30 June 2022

1 Accounting policies

Company information

Strat7 Limited (formerley Research Bods Online Ltd) is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor, 21 Queen Street, Leeds, United Kingdom, LS1 2TW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Project Further Topco Limited. These consolidated financial statements are available from its registered office, 11 Soho Street, London, W1D 3AD.

1.2 Going concern

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

Strat7 Limited (formerley Research Bods Online Ltd)

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software development	over 3 years
Platform development	over 3 years

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the term of the lease
Fixtures, fittings and equipment	over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Strat7 Limited (formerley Research Bods Online Ltd)

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Strat7 Limited (formerley Research Bods Online Ltd)

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Strat7 Limited (formerley Research Bods Online Ltd)

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	87	75

3 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	174,212	32,338
Adjustments in respect of prior periods	-	31,567
Total current tax	174,212	63,905
Deferred tax		
Origination and reversal of timing differences	96,676	(37,885)
Total tax charge	270,888	26,020

Strat7 Limited (formerley Research Bods Online Ltd)

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

4 Intangible fixed assets

	Software development	Platform development	Total
	£	£	£
Cost			
At 1 July 2021	526,268	1,799,595	2,325,863
Additions	447,242	33,799	481,041
At 30 June 2022	973,510	1,833,394	2,806,904
Amortisation and impairment			
At 1 July 2021	-	1,710,598	1,710,598
Amortisation charged for the year	162,683	59,106	221,789
At 30 June 2022	162,683	1,769,704	1,932,387
Carrying amount			
At 30 June 2022	810,827	63,690	874,517
At 30 June 2021	526,268	88,997	615,265

5 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 July 2021	127,879	142,272	270,151
Additions	-	114,949	114,949
Disposals	(20,000)	(1,586)	(21,586)
At 30 June 2022	107,879	255,635	363,514
Depreciation and impairment			
At 1 July 2021	36,595	98,731	135,326
Depreciation charged in the year	10,788	39,581	50,369
At 30 June 2022	47,383	138,312	185,695
Carrying amount			
At 30 June 2022	60,496	117,323	177,819
At 30 June 2021	91,284	43,541	134,825

Strat7 Limited (formerley Research Bods Online Ltd)

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

6 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,632,704	1,220,742
Amounts owed by group undertakings	73,233	-
Other debtors	1,367,992	870,749
	<u>3,073,929</u>	<u>2,091,491</u>

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	680,687	442,080
Amounts owed to group undertakings	6,000	-
Corporation tax	154,212	(7,463)
Other taxation and social security	406,129	370,758
Other creditors	1,666,058	1,839,714
	<u>2,913,086</u>	<u>2,645,089</u>

8 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
Fixed assest timing differences	88,863	10,172
Short term differences - trading	(1,847)	(19,832)
	<u>87,016</u>	<u>(9,660)</u>
Movements in the year:		2022
		£
Asset at 1 July 2021		(9,660)
Charge to profit or loss		96,676
Liability at 30 June 2022		<u>87,016</u>

Strat7 Limited (formerley Research Bods Online Ltd)

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

8 Deferred taxation

(Continued)

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

9 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
A Ordinary shares of £1 each	1,025	1,025	1,025	1,025
B Ordinary shares of £1 each	111	111	111	111
	<u>1,136</u>	<u>1,136</u>	<u>1,136</u>	<u>1,136</u>

The A Ordinary shares have attached to them equal voting, dividend and capital distribution rights. The A Ordinary shares are not redeemable. The B Ordinary shares have equal voting rights in any circumstances and are entitled pari passu to participate in a distribution arising from a winding up of the company. The B Ordinary shares have no dividend rights.

10 Financial commitments, guarantees and contingent liabilities

A composite guarantee has been given to the company's bankers in respect of any debts or liabilities owing to the bank by any party to the guarantee. The parties to the guarantee are the companies listed below:

Strat7 Group Limited
Project Further Midco Limited)
Strat7 Limited (formerley Research Bods Online Limited)
Bonamy Finch Marketing Services Limited
Strat7 AB
Crowd DNA Limited
Incite Marketing Planning Limited
Incite New York LLC

At the balance sheet date, the group's indebtedness to its bankers was £19,424,168 (2021: £6,562,500). The group's indebtedness to its bankers is subject to meeting loan covenants.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022 £	2021 £
Within one year	58,428	107,340
Between two and five years	435,308	375,692
In over five years	53,670	156,538
	<u>547,406</u>	<u>639,570</u>

Strat7 Limited (formerley Research Bods Online Ltd)

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

12 Related party transactions

As permitted by FRS 102 Section 33 "related party disclosures", the financial statements do not disclose transactions with the parent company and wholly owned group companies.

13 Ultimate parent company and ultimate controlling party

The Company's immediate parent company is Strat7 Group Limited, a company registered in England and Wales. The ultimate parent company of the group is Project Further Topco Limited, a company incorporated in England and Wales.

Project Further Topco Limited is the smallest and largest group for which consolidated financial statements including the company are prepared. The consolidated financial statements of Project Further Topco Limited are available from its registered office, 11 Soho Street, London, England, W1D 3AD.

The directors do not consider there to be a single ultimate controlling party.

14 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Esther Carder and the auditor was Moore Kingston Smith LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.