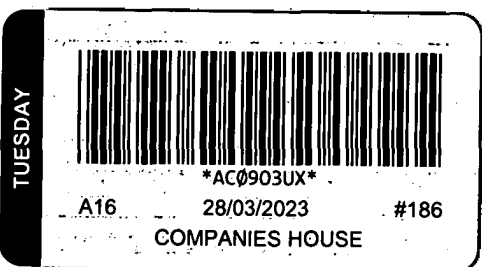


REGISTERED NUMBER: 08153977 (England and Wales)

Strategic Report, Report of the Director and  
Financial Statements for the Year Ended 30 June 2022  
for  
B.C. Strategy UK Ltd

Buzzacott LLP (Statutory Auditor)  
130 Wood Street  
London  
EC2V 6DL



B.C. Strategy UK Ltd

Contents of the Financial Statements  
for the Year Ended 30 June 2022

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B.C. Strategy UK Ltd

Company Information  
for the Year Ended 30 June 2022

**DIRECTOR:**

Dr A Yanus

**REGISTERED OFFICE:**

City Point  
1 Ropemaker Street  
Moorgate  
London  
EC2Y 9HT

**REGISTERED NUMBER:**

08153977 (England and Wales)

**SENIOR STATUTORY AUDITOR:**

Katherine White

**AUDITORS:**

Buzzacott LLP (Statutory Auditor)  
130 Wood Street  
London  
EC2V 6DL

B.C. Strategy UK Ltd.

Strategic Report

for the Year Ended 30 June 2022

The director presents his strategic report for the year ended 30 June 2022.

B.C. Strategy UK Ltd (hereinafter, "the Company"), commercially known as Black Cube, is a business intelligence and strategic consultancy firm based in London and Madrid. The Company comprises a select group of veterans of elite units in the Israeli intelligence community, as well as financial and legal experts, and its activity is supported by top-tier law firms and legal consultants, business consultants and accountants. The Company was established in 2012, its sole director is Dr. Avi Yanus, and it is fully owned by B.C. Strategy Ltd. (incorporated in Israel). B.C. Strategy UK Ltd is a private company, limited by shares, and registered in England and Wales.

**REVIEW OF BUSINESS**

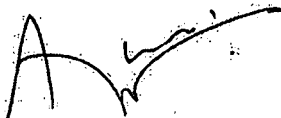
The Company's line of business is mainly providing tailor-made solutions to business challenges through gathering high-quality intelligence and providing its clients strategic consultancy and guidance. The solutions are focused mainly on litigation support on complex legal proceedings, asset tracing for private and public entities, and thorough due diligence investigations. The Company's circle of clients includes several multi-national corporations and international law firms, and it has executed projects in over 65 countries around the world so far. The Company employs 28 employees and allocates vast resources in developing specific technological solutions to meet the challenges of its work.

In the year under review, income increased to £28,059,877, from £21,936,444 in 2021. In 2022 profit before tax decreased to £2,020,830 from £2,978,502 in 2021.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company has one major risk. The service it provides is on a project basis – each project lasts around four to six months and most of the clients have up to two projects – the projects are part of major litigation cases and complex investigations, so it is rare for a business to need the Company's services more than once. Therefore, the Company needs to constantly maintain its reputation, strengthen its brand and obtain new clients with new cases. This risk is similar to the risk experienced by major litigation firms. Another major risk is the fluctuations in foreign currency – the Company's incomes are mostly in British Pounds, and some are in Euros and US Dollars. However, around 80% of its expenses are in New Israeli Shekels ("NIS"), as part of its inter-company agreement with the parent company (B.C. Strategy Ltd.) signed in 2012. The agreement sets an 'at cost +' model for consultancy services provided by the parent company, that are priced in NIS. The Company doesn't have any influence on currency rates, so if the British Pound's value decreases, or the New Israeli Shekel's value increases, the company bears the costs.

**ON BEHALF OF THE BOARD:**



Dr A Yanus - Director

22 March 2023

B.C. Strategy UK Ltd

Report of the Director  
for the Year Ended 30 June 2022

The director presents his report with the financial statements of B.C. Strategy UK Ltd for the year ended 30 June 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of business intelligence services.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 June 2022.

**DIRECTOR**

Dr A Yanus held office during the whole of the period from 1 July 2021 to the date of this report.

**DISCLOSURE IN THE STRATEGIC REPORT**

The company has chosen in accordance with s414C(11) Companies Act 2006 to set out in the group'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 discussions of risk exposure and future developments.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies 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 company will continue in business;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Buzzacott LLP (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Dr A Yanus - Director

22 March 2023

Report of the Independent Auditors to the Members of  
B.C. Strategy UK Ltd

**Opinion**

We have audited the financial statements of B.C. Strategy UK Ltd (the 'company') for the year ended 30 June 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 director's 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 director 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. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinions 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 Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of  
B.C. Strategy UK Ltd

**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 Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Report of the Independent Auditors to the Members of  
B.C. Strategy UK Ltd

**Auditors' responsibilities for the audit of the financial statements:**

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- 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. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.



Report of the Independent Auditors to the Members of  
B.C. Strategy UK Ltd

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

*Buzzacott LLP*

Katherine White (Senior Statutory Auditor)  
for and on behalf of Buzzacott LLP (Statutory Auditor)  
130 Wood Street  
London  
EC2V 6DL

Date: 27 March 2023

B.C. Strategy UK Ltd.

Income Statement  
for the Year Ended 30 June 2022

	Notes	30.6.22 £	30.6.21 £
<b>TURNOVER</b>	3	28,059,877	21,936,444
Administrative expenses		(25,917,521)	(19,798,673)
		2,142,356	2,137,771
Other operating income		82,808	(797,638)
Gain/loss on revaluation of investments		(219,334)	1,612,857
<b>OPERATING PROFIT</b>	5	2,005,830	2,952,990
Interest receivable and similar income		15,000	25,512
<b>PROFIT BEFORE TAXATION</b>		2,020,830	2,978,502
Tax on profit	6	(237,750)	(102,116)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,783,080	2,876,386

The notes form part of these financial statements

B.C. Strategy UK Ltd.

Other Comprehensive Income  
for the Year Ended 30 June 2022

	Notes	30.6.22 £	30.6.21 £
PROFIT FOR THE YEAR		1,783,080	2,876,386
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,783,080</u>	<u>2,876,386</u>

The notes form part of these financial statements

B.C. Strategy UK Ltd (Registered number: 08153977)

Balance Sheet

30 June 2022

	Notes	30.6.22 £	30.6.21 £
<b>FIXED ASSETS</b>			
Tangible assets	7	11,582	16,552
<b>CURRENT ASSETS</b>			
Debtors	8	13,153,300	10,017,216
Investments	9	4,159,183	4,297,145
Cash at bank		158,945	216,574
		17,471,428	14,530,935
<b>CREDITORS</b>			
Amounts falling due within one year	10	2,960,188	1,806,801
<b>NET CURRENT ASSETS</b>		14,511,240	12,724,134
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		14,522,822	12,740,686
<b>PROVISIONS FOR LIABILITIES</b>	13	502,201	503,145
<b>NET ASSETS</b>		14,020,621	12,237,541
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,000	1,000
Retained earnings	15	14,019,621	12,236,541
<b>SHAREHOLDERS' FUNDS</b>		14,020,621	12,237,541

The financial statements were approved by the director and authorised for issue on 22 March 2023 and were signed by:



Dr A Yanus - Director

The notes form part of these financial statements

**B.C. Strategy UK Ltd**

**Statement of Changes in Equity**  
**for the Year Ended 30 June 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2020	1,000	9,360,155	9,361,155
Changes in equity			
Total comprehensive income	-	2,876,386	2,876,386
Balance at 30 June 2021	1,000	12,236,541	12,237,541
Changes in equity			
Total comprehensive income	-	1,783,080	1,783,080
Balance at 30 June 2022	1,000	14,019,621	14,020,621

The notes form part of these financial statements

B.C. Strategy UK Ltd

Cash Flow Statement  
for the Year Ended 30 June 2022

	Notes	30.6.22 £	30.6.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	4,983,025	(960,777)
Amounts owed by/to group undertakings		(4,353,578)	(5,498,604)
Tax paid		(237,372)	886
Net cash from operating activities		392,075	(6,458,495)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(14,022)	(6,701)
Fixed asset investments additions		(81,372)	5,097,041
Interest received		15,000	25,512
Net cash from investing activities		(80,394)	5,115,852
<b>Increase/(decrease) in cash and cash equivalents</b>		311,681	(1,342,643)
Cash and cash equivalents at beginning of year	2	(152,736)	1,189,907
Cash and cash equivalents at end of year	2	158,945	(152,736)

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2022

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	30.6.22	30.6.21
	£	£
Profit before taxation	2,020,830	2,978,502
Depreciation charges	18,992	26,309
Loss/(gain) on revaluation of fixed assets	219,334	(1,612,857)
Finance income	(15,000)	(25,512)
	<u>2,244,156</u>	<u>1,366,442</u>
Decrease/(increase) in trade and other debtors	1,217,494	(2,654,003)
Increase in trade and other creditors	<u>1,521,375</u>	<u>326,784</u>
<b>Cash generated from operations</b>	<u><u>4,983,025</u></u>	<u><u>(960,777)</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 June 2022**

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	158,945	216,574
Bank overdrafts		(369,310)
	<u>158,945</u>	<u>(152,736)</u>

**Year ended 30 June 2021**

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	216,574	1,189,907
Bank overdrafts	(369,310)	-
	<u>(152,736)</u>	<u>1,189,907</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2022

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.7.21 £	Cash flow £	At 30.6.22 £
<b>Net cash</b>			
Cash at bank	216,574	(57,629)	158,945
Bank overdrafts	(369,310)	369,310	
	<u>(152,736)</u>	<u>311,681</u>	<u>158,945</u>
 <b>Liquid resources</b>			
Current asset investments	4,297,145	(137,962)	4,159,183
	<u>4,297,145</u>	<u>(137,962)</u>	<u>4,159,183</u>
 <b>Total</b>	<u><u>4,144,409</u></u>	<u><u>173,719</u></u>	<u><u>4,318,128</u></u>

The notes form part of these financial statements



Notes to the Financial Statements  
for the Year Ended 30 June 2022

**1. STATUTORY INFORMATION**

B.C. Strategy UK Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The company's principal place of business is the registered office.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ('FRS 102') and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

The company has sufficient liquid resources to continue as a going concern for the foreseeable future and the director believes the company will be able to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

**Critical accounting judgements and key sources of estimation uncertainty**

In the course of preparing the financial statements, no judgements have been made in the process of applying the company's accounting policies, (other than those involving estimations), that have had a significant effect on the amounts recognised in the financial statements.

The director considers that the area where uncertainty of estimation arises is deferred income.

**Turnover and rendering of services**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover represents the amounts derived from the provision of business intelligence services, which falls within the company's ordinary activities, all of which are continuing, stated net of value added tax.

Turnover arising from the provision of business intelligence services is assessed on a contract by contract basis and reflected in the statement of income and retained earnings by recording turnover and related costs as contract activity progresses. Turnover is calculated as the proportion of total contract value which contract costs to date bear to total expected contract costs.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Financial instruments**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Operating leases**

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

**Pensions**

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

The contributions are recognised as an expense in the income statement 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 company in independently administered funds.

**Valuation of investments**

Investments are measured at the fair value of the portfolio investment. Gains and losses on remeasurement are recognised in the profit and loss in the year.

**Debtors and creditors**

Short term debtors are measured at transaction price, less any impairment such as provision for doubtful debts.

Short term creditors are measured at the transaction price.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

2. **ACCOUNTING POLICIES - continued**

**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 provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	30.6.22	30.6.21
	£	£
United Kingdom	4,350,000	3,283,688
Europe	6,210,000	5,632,209
Asia	2,145,000	1,275,160
North America	10,704,000	8,878,387
Central and South America	4,650,877	2,867,000
	<u>28,059,877</u>	<u>21,936,444</u>

4. **EMPLOYEES AND DIRECTORS**

	30.6.22	30.6.21
	£	£
Wages and salaries	1,543,147	1,394,313
Social security costs	182,963	161,595
Other pension costs	25,525	21,444
	<u>1,751,635</u>	<u>1,577,352</u>

The average number of employees during the year was as follows:

30.6.22	30.6.21
<u>27</u>	<u>26</u>

	30.6.22	30.6.21
	£	£
Director's remuneration	<u>90,000</u>	<u>90,000</u>

**Key Management personnel**

Key management personnel includes the director of the company only.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**5. OPERATING PROFIT**

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

	30.6.22	30.6.21
	£	£
Hire of plant and machinery	87,856	16,043
Depreciation - owned assets	18,992	26,309
Auditors' remuneration	32,000	29,000
Foreign exchange differences	(82,808)	797,638
Operating lease charges	328,192	301,198

**6. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	30.6.22	30.6.21
	£	£
Current tax:		
UK corporation tax	238,024	105,841
Adjustments in respect of prior years	670	
Total current tax	238,694	105,841
Deferred tax	(944)	(3,725)
Tax on profit	237,750	102,116

UK corporation tax has been charged at 19% (2021 - 19%).

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.22	30.6.21
	£	£
Profit before tax	2,020,830	2,978,502
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	383,958	565,915
Effects of:		
Income not taxable for tax purposes	41,544	(306,442)
Research & Development enhanced deduction prior year	(187,752)	(157,357)
Total tax charge	237,750	102,116

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**7. TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>COST</b>	
At 1 July 2021	238,305
Additions	14,022
At 30 June 2022	252,327
<b>DEPRECIATION</b>	
At 1 July 2021	221,753
Charge for year	18,992
At 30 June 2022	240,745
<b>NET BOOK VALUE</b>	
At 30 June 2022	11,582
At 30 June 2021	16,552

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.22	30.6.21
	£	£
Trade debtors	2,567,795	3,778,271
Amounts owed by group undertakings	9,583,908	5,230,330
Other debtors	22,399	33,615
Director's current account	750,000	750,000
Tax recoverable	225,000	225,000
VAT	4,198	
	13,153,300	10,017,216

**9. CURRENT ASSET INVESTMENTS**

	30.6.22	30.6.21
	£	£
Short-term investments	4,159,183	4,297,145

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.22	30.6.21
	£	£
Bank loans and overdrafts (see note 11)	-	369,310
Tax	238,024	236,702
Social security and other taxes	72,921	67,610
VAT	-	18,492
Other creditors	17,622	-
Net wages control	98,571	105,720
Pension creditor	5,364	5,553
Director's expense account	36,105	38,104
Accruals and deferred income	2,364,581	865,310
Accrued expenses	127,000	100,000
	<u>2,960,188</u>	<u>1,806,801</u>

**11. LOANS**

An analysis of the maturity of loans is given below:

	30.6.22	30.6.21
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	369,310
	<u>-</u>	<u>369,310</u>

**12. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.22	30.6.21
	£	£
Within one year	237,465	166,076
Between one and five years	199,427	-
	<u>436,892</u>	<u>166,076</u>

**13. PROVISIONS FOR LIABILITIES**

	30.6.22	30.6.21
	£	£
Deferred tax		
Accelerated capital allowances	2,201	3,145
Other provisions	500,000	500,000
	<u>502,201</u>	<u>503,145</u>
	Deferred tax	Other provisions
	£	£
Balance at 1 July 2021	3,145	500,000
Provided during year	(944)	-
Balance at 30 June 2022	<u>2,201</u>	<u>500,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**13. PROVISIONS FOR LIABILITIES - continued**

The Company has made a provision of £500,000 in relation to a legal claim. The Company is disputing the claim and, in the opinion of the Director, the risk of a settlement that will affect the Company is low as it is probable that it will be met by another defendant on the claim or be fully covered by insurance.

Further information in relation to the provision would be expected to prejudice seriously the position of the Company in relation to the claim and hence has not been disclosed in accordance with FRS 102 paragraph 21.17.

**14. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	30.6.22	30.6.21
Number:	Class:		£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

**15. RESERVES**

	Retained earnings £
At 1 July 2021	12,236,541
Profit for the year	<u>1,783,080</u>
At 30 June 2022	<u><u>14,019,621</u></u>

**16. ULTIMATE PARENT COMPANY**

B.C. Strategy Ltd (incorporated in Israel) is regarded by the director as being the company's ultimate parent company.

**17. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 30 June 2022 and 30 June 2021:

	30.6.22	30.6.21
	£	£
<b>Dr A Yanus</b>		
Balance outstanding at start of year	750,000	750,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u><u>750,000</u></u>	<u><u>750,000</u></u>

For the year under review, interest of £15,000 was charged (2021 : £16,829).

At the year end the company owed the director, Dr A Yanus, £36,105 (2021 : £38,104) in respect of business expenses incurred on behalf of the company.

**18. RELATED PARTY DISCLOSURES**

Included in the accounts are consultancy fees of £18,961,957 (2021 : £12,954,006) charged by B.C. Strategy Ltd (incorporated in Israel), the parent company. These transactions were at arms length and in the ordinary course of business.

At the year end, the debtor balance owed by the parent company to the company was £9,583,908 (2021 : £5,230,330). No interest has been charged.

**19. ULTIMATE CONTROLLING PARTY**

The ultimate controlling parties are B.C. Strategy Ltd, Dr Avi Yanus and Dan Zorella.