

Strategic Report, Report of the Director and
Financial Statements for the Year Ended 30 June 2021
for
B.C. Strategy UK Ltd

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

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for the Year Ended 30 June 2021

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B.C.Strategy UK Ltd

Company Information
for the Year Ended 30 June 2021

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 2021

The director presents his strategic report for the year ended 30 June 2021.

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.

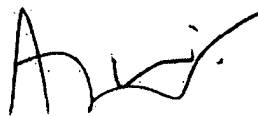
In the year under review, income increased to £21,936,444, from £20,026,478 in 2020. In 2021 profit before tax increased to £2,978,502 from £1,348,008 in 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has two major risks – first, 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.

Additionally, in March 2020 the COVID-19 pandemic has restricted air-travel, on which the company relied in its ongoing business. However, eventually the pandemic did not have any effect on the company's revenue – the company used its creative and innovative skills to come up with technological adaptations to the new situation, which allowed it to continue conduct in business and bring new business, as can be seen on the accounts. Since the pandemic is an ongoing situation, and the company overcame the potential obstacles that might have stem from it, the company does not believe it changes its financial stability.

ON BEHALF OF THE BOARD:



Dr A Yanus - Director

30 March 2022

B.C. Strategy UK Ltd

Report of the Director
for the Year Ended 30 June 2021

The director presents his report with the financial statements of B.C. Strategy UK Ltd for the year ended 30 June 2021.

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 2021.

DIRECTOR

Dr A Yanus held office during the whole of the period from 1 July 2020 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.

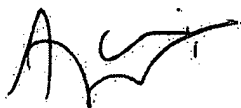
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

30 March 2022

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 2021 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 2021 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 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. 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.

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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

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. 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

30 March 2022

B.C. Strategy UK Ltd.

Income Statement
for the Year Ended 30 June 2021

	Notes	30.6.21 £	30.6.20 £
TURNOVER	3	21,936,444	20,026,478
Administrative expenses		(19,798,673)	(18,918,454)
		2,137,771	1,108,024
Other operating income		(797,638)	259,258
Gain/loss on revaluation of investments		1,612,857	(48,853)
OPERATING PROFIT	5	2,952,990	1,318,429
Interest receivable and similar income		25,512	29,579
PROFIT BEFORE TAXATION		2,978,502	1,348,008
Tax on profit	6	(102,116)	(129,136)
PROFIT FOR THE FINANCIAL YEAR		2,876,386	1,218,872

The notes form part of these financial statements

B.C. Strategy UK Ltd

Other Comprehensive Income
for the Year Ended 30 June 2021

	Notes	30.6.21 £	30.6.20 £
PROFIT FOR THE YEAR		2,876,386	1,218,872
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,876,386	1,218,872

The notes form part of these financial statements

Balance Sheet

30 June 2021

	Notes	30.6.21 £	£	30.6.20 £	£
FIXED ASSETS					
Tangible assets	7		16,552		36,160
CURRENT ASSETS					
Debtors	8	10,017,216		2,132,883	
Investments	9	4,297,145		7,781,329	
Cash at bank		216,573		1,189,906	
		<u>14,530,934</u>		<u>11,104,118</u>	
CREDITORS					
Amounts falling due within one year	10	1,806,800		1,272,253	
NET CURRENT ASSETS			<u>12,724,134</u>		<u>9,831,865</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,740,686</u>		<u>9,868,025</u>
PROVISIONS FOR LIABILITIES	13		503,145		506,870
NET ASSETS			<u><u>12,237,541</u></u>		<u><u>9,361,155</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		1,000		1,000
Retained earnings	15		12,236,541		9,360,155
SHAREHOLDERS' FUNDS			<u><u>12,237,541</u></u>		<u><u>9,361,155</u></u>

The financial statements were approved by the director and authorised for issue on 30 March 2022 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 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2019	1,000	8,141,283	8,142,283
Changes in equity			
Total comprehensive income	-	1,218,872	1,218,872
Balance at 30 June 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

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 30 June 2021

	Notes	30.6.21 £	30.6.20 £
Cash flows from operating activities			
Cash generated from operations	1	(960,777)	1,870,156
Amounts owed by/to group undertakings		(5,498,604)	447,836
Tax paid		886	(335,615)
Net cash from operating activities		(6,458,495)	1,982,377
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,701)	(36,254)
Fixed asset investments		5,097,041	(81,455)
Interest received		25,512	29,579
Net cash from investing activities		5,115,852	(88,130)
Cash flows from financing activities			
New loans in year		-	(946,574)
Net cash from financing activities		-	(946,574)
(Decrease)/Increase in cash and cash equivalents		(1,342,643)	947,673
Cash and cash equivalents at beginning of year	2	1,189,906	242,233
Cash and cash equivalents at end of year	2	(152,737)	1,189,906

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 June 2021

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

	30.6.21	30.6.20
	£	£
Profit before taxation	2,978,502	1,348,008
Depreciation charges	26,309	40,717
(Gain)/loss on revaluation of fixed assets	(1,612,857)	48,853
Finance income	(25,512)	(29,579)
	<u>1,366,442</u>	<u>1,407,999</u>
(Increase)/decrease in trade and other debtors	(2,654,003)	1,211,523
Increase/(decrease) in trade and other creditors	326,784	(749,366)
Cash generated from operations	<u>(960,777)</u>	<u>1,870,156</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 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	216,573	1,189,906
Bank overdrafts	(369,310)	-
	<u>(152,737)</u>	<u>1,189,906</u>

Year ended 30 June 2020

	30.6.20	1.7.19
	£	£
Cash and cash equivalents	<u>1,189,906</u>	<u>242,233</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.20	Cash flow	At 30.6.21
	£	£	£
Net cash			
Cash at bank	1,189,906	(973,333)	216,573
Bank overdrafts	-	(369,310)	(369,310)
	<u>1,189,906</u>	<u>(1,342,643)</u>	<u>(152,737)</u>
Liquid resources			
Current asset investments	7,781,329	(3,484,184)	4,297,145
	<u>7,781,329</u>	<u>(3,484,184)</u>	<u>4,297,145</u>
Total	<u>8,971,235</u>	<u>(4,826,827)</u>	<u>4,144,408</u>

The notes form part of these financial statements

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 2021

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 2021

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:

	30.6.21	30.6.20
	£	£
United Kingdom	3,283,688	1,648,298
Europe	5,632,209	3,589,150
Asia	1,275,160	1,505,230
North America	8,878,387	9,678,000
Central and South America	2,867,000	3,154,800
Australia	-	451,000
	<u>21,936,444</u>	<u>20,026,478</u>

4. **EMPLOYEES AND DIRECTORS**

	30.6.21	30.6.20
	£	£
Wages and salaries	1,394,313	1,250,518
Social security costs	161,595	115,530
Other pension costs	21,444	20,124
	<u>1,577,352</u>	<u>1,386,172</u>

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

30.6.21	30.6.20
<u>26</u>	<u>24</u>

	30.6.21	30.6.20
	£	£
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 2021

5. OPERATING PROFIT

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

	30.6.21	30.6.20
	£	£
Hire of plant and machinery	16,043	29,000
Depreciation - owned assets	26,309	40,717
Auditors' remuneration	29,000	23,000
Foreign exchange differences	797,638	(259,258)
Operating lease charges	301,198	299,376

6. TAXATION

Analysis of the tax charge

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

	30.6.21	30.6.20
	£	£
Current tax:		
UK corporation tax	105,841	129,975
Adjustments in respect of prior years		9
Total current tax	105,841	129,984
Deferred tax	(3,725)	(848)
Tax on profit	102,116	129,136

UK corporation tax has been charged at 19% (2020 - 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:

	30.6.21	30.6.20
	£	£
Profit before tax	2,978,502	1,348,008
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	565,915	256,122
Effects of:		
Income not taxable for tax purposes	(306,442)	9,282
Research & Development enhanced deduction	(157,357)	(136,277)
Adjustments in respect of prior year		9
Total tax charge	102,116	129,136

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

7. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 July 2020	231,604
Additions	6,701
	<hr/>
At 30 June 2021	238,305
	<hr/>
DEPRECIATION	
At 1 July 2020	195,444
Charge for year	26,309
	<hr/>
At 30 June 2021	221,753
	<hr/>
NET BOOK VALUE	
At 30 June 2021	16,552
	<hr/>
At 30 June 2020	36,160
	<hr/>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.21 £	30.6.20 £
Trade debtors	3,778,271	1,104,918
Amounts owed by group undertakings	5,230,330	
Other debtors	33,615	33,699
Director's current account	750,000	750,000
Tax recoverable	225,000	225,000
VAT	-	19,266
	<hr/>	<hr/>
	10,017,216	2,132,883
	<hr/>	<hr/>

9. CURRENT ASSET INVESTMENTS

	30.6.21 £	30.6.20 £
Short-term investments	4,297,145	7,781,329
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.21	30.6.20
	£	£
Bank loans and overdrafts (see note 11)	369,310	-
Amounts owed to group undertakings	-	268,274
Tax	236,702	129,975
Social security and other taxes	67,610	79,150
VAT	18,492	-
Net wages control	105,720	116,339
Pension creditor	5,553	4,965
Director's expense account	38,104	44,276
Accruals and deferred income	865,310	536,275
Accrued expenses	99,999	92,999
	<u>1,806,800</u>	<u>1,272,253</u>

11. LOANS

An analysis of the maturity of loans is given below:

	30.6.21	30.6.20
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>369,310</u>	<u>-</u>

12. LEASING AGREEMENTS

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

	30.6.21	30.6.20
	£	£
Within one year	166,076	166,076
Between one and five years	-	284,702
	<u>166,076</u>	<u>450,778</u>

13. PROVISIONS FOR LIABILITIES

	30.6.21	30.6.20
	£	£
Deferred tax		
Accelerated capital allowances	3,145	6,870
Other provisions	500,000	500,000
	<u>503,145</u>	<u>506,870</u>
	Deferred tax	Other provisions
	£	£
Balance at 1 July 2020	6,870	500,000
Provided during year	(3,725)	-
Balance at 30 June 2021	<u>3,145</u>	<u>500,000</u>

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:

Number:	Class:	Nominal value:
1,000	Ordinary	£1
		£
		30.6.21
		1,000
		1,000

15. RESERVES

Retained earnings	At 1 July 2020	Profit for the year	At 30 June 2021
£	9,360,155	2,876,386	12,236,541

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 2021 and 30 June 2020:

Dr A Yanus		
Balance outstanding at start of year	750,000	750,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	750,000	750,000

For the year under review, interest of £16,829 was charged (2020 : £18,309).

At the year end the company owed the director, Dr A Yanus, £38,104 (2020 : £44,276) in respect of business expenses incurred on behalf of the company.

18. RELATED PARTY DISCLOSURES

Included in the accounts are consultancy fees of £12,954,006 (2020 : £13,173,624) 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 £5,230,330 (2020 : £268,274 creditor). No interest has been charged.