



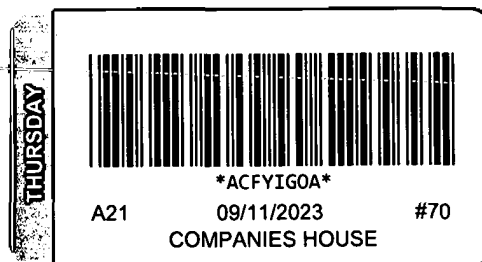
FRONTIER ECONOMICS LIMITED

Report and Financial Statements

YEAR ENDED

30 APRIL 2023

COMPANY NUMBER 3752719



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FRONTIER ECONOMICS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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DIRECTORS

D Aitman
M Bax
M Bell
P J Burns
A Grimwade
G Houpis
Lord O'Donnell
D Parker
C Riechmann
J Romano
S Snelson
L Tobin

SECRETARY AND REGISTERED OFFICE

L Garment, Mid City Place, 71 High Holborn, London, WC1V 6DA

COMPANY NUMBER

3752719

AUDITORS

BDO LLP, 55 Baker Street, London, W1U 7EU

FRONTIER ECONOMICS LIMITED

STRATEGIC REPORT

This strategic report is presented by the directors of Frontier Economics Limited ('Frontier').

RESULTS AND DIVIDENDS

This year, turnover was £80,570,440 (2022: £69,308,955) and profit before tax was £1,317,555 (2022: £1,025,349).

Turnover has increased by 16 % (2022: 13%) and, based on the post-year-end results to date and work in the pipeline, we believe this encouraging level of trading will continue in 2023.

In line with company policy, no dividends are payable (2022: £nil).

REVIEW OF THE BUSINESS

Frontier Economics is an economics consultancy. We work with clients on some of the most interesting and high-profile issues across competition, regulation, public policy and strategy.

Our clients are mainly located in the UK, Ireland and mainland Europe, but many operate in other regions, like the Middle East, Africa and Central and South America. We continue to operate offices in Belgium, France, Germany, Ireland, Spain and the UK. We operate as one legal entity, with our offices set up as permanent establishments and some payrolls in other geographies where we have employees based.

We continued to perform strongly this year, as in prior years. We expect to grow our revenue across the rest of 2023 and into 2024. There have been no changes in the scope of our activities this year.

KEY PERFORMANCE INDICATORS

We use a range of key performance indicators (KPIs). They're focused on promoting profitable and sustainable income streams, using our staff effectively and managing cash flow - rather than pursuing growth for its own sake.

Some key financial statement KPIs are as follows:

	2023	YOY increase	2022	YOY increase
		/(decrease)		
	£	%	£	%
Turnover	80,570,440	16%	69,308,955	13%
Trade debtors	15,313,781	-22%	19,676,013	18%
Accrued income	13,929,501	68%	8,314,062	19%

As stated above, we've grown our turnover this year by 16%, mainly through organic growth (existing clients and disciplines). Our accrued income was high at year-end, due to our systems transition that occurred prior to year-end, which led to a temporary delay in some invoicing: this was resolved swiftly post year-end. This lower level of invoicing in the last two months of the year in part contributed to the lower debtor balance at year end.

We also review timesheet data on a monthly basis, focusing on utilisation and work-life balance. This helps us to manage Frontier employees' workloads effectively and proactively.

FRONTIER ECONOMICS LIMITED

STRATEGIC REPORT (CONTINUED)

KEY PERFORMANCE INDICATORS (CONTINUED)

EMPLOYMENT

Frontier has clear policies for training, personal development and mentoring. They help us to support the career progression of our employees. We also give staff the opportunity to contribute towards running the business.

We're strongly committed to employee share ownership. All permanent staff are issued shares and share options, according to their grade. Frontier also operates a profit-sharing bonus scheme, which is distributed on a bi-annual basis.

Our equal opportunities employment policy demonstrates our opposition to all forms of discrimination. Our selection processes are non-discriminatory, and we always seek to give full consideration to those with disabilities when recruiting. In the event of an employee becoming disabled, we'd make every effort to ensure their employment with the company continued, and appropriate training would be arranged.

The company complies with all relevant health and safety legislation to ensure, as far as we can, the health, safety and welfare at work of all our employees.

PRINCIPAL RISKS AND UNCERTAINTIES

The market in which Frontier operates is highly competitive. Our strategy for success is based on providing our clients with world-class economic advice. This balances rigorous academic standards with a detailed understanding of the commercial and regulatory arenas in which our clients operate.

How we mitigate the principal risks we face:

- **People risk.** To provide world-class advice, we need economists of the highest quality. That's why we place considerable emphasis on recruitment, training and retention of staff, at all levels and across all geographies.
- **Price risk.** To ensure we remain competitive and to pick up any price sensitivities, fee rates achieved are analysed on a monthly basis across all disciplines and sectors. In addition, fee rates are reviewed and updated annually for all economists at an individual level.
- **Liquidity risk.** The company monitors cash flow as part of its day-to-day control procedures. Management considers cash flow projections on a monthly basis, and ensures that appropriate facilities are available to be drawn upon. We have an overdraft facility with HSBC, and cash is held in a mixture of short-term deposit and current accounts, which earn interest at a variable rate.
- **Credit risk.** There has been no slowdown in cash receipts (or revenue) across the year. The directors monitor debtors, and the risk is not considered to be significant at the year end date.
- **Foreign exchange risk.** Management monitors exposure to foreign currencies. Where possible, contracts and invoices are drawn in the currency of the cost base to minimise exposure to movements in exchange rates.

FRONTIER ECONOMICS LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

- **Going concern risk.** The directors have continued to pay particular attention to the assessment of the continued going concern of the company as the impact of the Covid-19 pandemic reduced but new external risks emerged associated with the war in Ukraine, increased variable costs and the inflationary environment. Additionally, during the year the company entered into an agreement to lease new office premises in London, which would require a material fit-out project to be commenced within the going concern period. The directors carefully reviewed the future financial position of the firm prior to arriving at the decision to commit to the new office to ensure that there would be sufficient funding options both externally and internally to ensure financial resilience over the fit-out period. They conclude that there is a reasonable expectation the company will be able to continue to operate for at least 12 months after the signing of the Financial Statements at the balance sheet date.

By design, Frontier has a resilient business model, which would be able to withstand periods of revenue significantly below current levels. Flexibility is built into our bonus scheme, which tracks the operating profit of the company. In the event of any prolonged period of lower revenue and/or higher variable costs, the directors would take mitigating action, such as reducing overheads, whilst in extreme circumstances, such as seen during the Covid pandemic, the timing of bonus payments earned through our bonus scheme can also be flexed to manage any material and unexpected timing delays on cash payments from clients.

Overall, the future revenue pipeline remains positive, with revenue growth expected across the next financial year. The directors have available an overdraft facility which was increased to a total of £4.5m in September 2022. The overdraft facility is due for renewal in December 2023 and the directors expect this facility to be renewed. In a sensitised forecast, the directors would utilise the overdraft facility to cover any potential shortfalls in cash. Additionally, it is expected that the company will enter into a loan facility within the next year to part-fund the fit-out costs of the new office in London.

The company operates a successful hybrid model, with employees determining how to split their time between working in the office and from home in line with the requirements of our clients, our colleagues and our culture. Given sustained demand from clients and the appeal of Frontier as a place to work, we've continued to successfully recruit into key areas of the business.

On this basis, the directors have a reasonable expectation that the group will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval date of these financial statements. Accordingly, the company continue to adopt the going concern basis in preparing the statements.

COMPANIES ACT SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires directors to consider the interests of stakeholders, among other matters, in their decision making. At Frontier, the directors continue to take into account the interests of employees, clients and suppliers, the impact of the company's activities on the community and the environment, Frontier's reputation for good business conduct and the need to act fairly.

It's in this context that the directors consider what is most likely to promote the success of the company in the long term, engaging with stakeholders in a number of ways, as explained below:

FRONTIER ECONOMICS LIMITED

STRATEGIC REPORT (CONTINUED)

COMPANIES ACT SECTION 172 STATEMENT (CONTINUED)

- The directors are fully aware of their responsibilities to promote the success of the company in accordance with section 172 of the Companies Act 2006. To ensure the company follows good corporate practice, all directors receive training on the scope and application of section 172 when they join the board and it is kept front of mind at board meetings, with a reminder of the board directors' section 172 responsibilities included in board papers. The company secretary helps the board ensure that sufficient consideration is given to the matters set out in s172(1)(a)-(f).
- The board regularly reviews the company's principal stakeholders and how it engages with them. They do this by reviewing information provided by management, and also by speaking directly to the stakeholders themselves.
- As well as the legally appointed board directors, the company appoints four shareholder representatives drawn from across the business, with each serving an c18 month term. They are not representatives of a particular group, office or cohort, but bring their own perspectives to Board meetings as shareholders and consider discussions through the lens of what is best for the whole company. They provide observations, questions and challenge on agenda items, support efforts to responsibly communicate the outcome of meetings to the wider firm and lead the planning and execution of the Annual Shareholders Meeting (ASM).

As an employee-owned company, Frontier has a strong culture of employee and shareholder engagement. This culture is the responsibility of all employees, but particularly those who are part of the board and other governance bodies.

We aim to work responsibly with all our other stakeholders, including clients and suppliers.

The most significant decisions made by the board this year are as follows:

DECISION/EVENT	S172 MATTERS AFFECTED	ACTIONS AND IMPACT
Monitoring progress of the strategic plan	Clients, shareholders, employees	<ul style="list-style-type: none"> ■ Following the launch of the strategic plan last year, the board has continued to monitor progress on the key priority areas, with a number of workstreams providing updates. ■ The focus for the board has been on ensuring that Frontier is continuing to enhance the one-firm approach, enabling creativity and innovation, collaboration within and across all offices and disciplines, and developing the skills of employees to best anticipate and meet the future needs of clients.

FRONTIER ECONOMICS LIMITED
STRATEGIC REPORT (CONTINUED)

COMPANIES ACT SECTION 172 STATEMENT (CONTINUED)

DECISION/EVENT	S172 MATTERS AFFECTED	ACTIONS AND IMPACT
Issue of shares and options	Shareholders, employees	<ul style="list-style-type: none"> ■ The board considered the issue of shares and options to all new joiners since the last issue in the previous financial year, and also the issue of additional options to those who had been promoted. ■ These issues were approved and actioned on 24th March 2023.
New London office space approved	Shareholders, employees, clients, suppliers, environment, community	<ul style="list-style-type: none"> ■ The board approved the decision to enter into a lease for new office space in London. ■ A number of options were presented to the board. In making its decision, it ensured that any risks had been appropriately considered and sufficiently mitigated, including financial risks linked to impact on profit and cash, and that the chosen option met the company's commitment to high quality space for clients and employees and also met high expectations around environmental and community metrics.
Budget setting for the current year and the next year	Shareholders, employees, clients, suppliers, environment, community	<ul style="list-style-type: none"> ■ The budget for the current year was approved in April 2022, which included continued recruitment of new talent and investment in key infrastructure projects, to ensure the long-term sustainability of the company. ■ In April 2023, the board approved the budget for the next financial year. With two sizeable, long term and important projects anticipated to come to a natural conclusion within the year, and with client demand for our services continuing to be high, the focus across the year will be to carefully manage the transition to new projects.

FRONTIER ECONOMICS LIMITED

STRATEGIC REPORT (CONTINUED)

COMPANIES ACT SECTION 172 STATEMENT (CONTINUED)

DECISION/EVENT	S172 MATTERS AFFECTED	ACTIONS AND IMPACT
Changes in board composition	Shareholders, environment, community	<ul style="list-style-type: none"> ■ Following a recommendation from the Nomination Committee, the board appointed one new Executive Director (ED) in October 2022. This appointment was subsequently approved by shareholders at the annual shareholders' meeting in December 2022. The EDs have a deep understanding of the business and can represent the diversity of our shareholders (our employees). ■ Two EDs stepped down from the board at the end of 2022, having been on the board since Frontier's inception in 1999.
Equity, diversity and inclusion report presentation	Shareholders, employees, clients	<ul style="list-style-type: none"> ■ The board received a presentation from the people director on the firm's annual Equity, Diversity and Inclusion (ED&I) Report, covering the latest ED&I statistics, gender pay gap results and ED&I plans for 2023. ■ The board signalled its strong support for the efforts being made on ED&I at Frontier.
Review of Chief Operating Officer and Executive Director pay	Shareholders, employees	<ul style="list-style-type: none"> ■ The board asked the Remuneration Committee to review Chief Operating Officer (COO) and Executive Director (ED) remuneration. The former completed in July 2022 and the latter completed in April 2023.

FRONTIER ECONOMICS LIMITED

STRATEGIC REPORT (CONTINUED)

COMPANIES ACT SECTION 172 STATEMENT (CONTINUED)

DECISION/EVENT	S172 MATTERS AFFECTED	ACTIONS AND IMPACT
Ensuring effective debtor recoverability	Shareholders, employees, clients	<ul style="list-style-type: none"> ■ Whilst recovery of debtor balances remains very high, reflecting the quality of the work that we do and the strong relationships we have with great clients, from time to time we have to manage unanticipated delays in client payments. ■ Following one such incidence during the financial year, fully resolved within a few months and prior to year-end, the board requested a report back on how the risk of such cash lockups is managed and mitigated within the company. ■ The report back stressed the importance of appropriate contractual terms right at the start of projects, strong communication across the business and clarification and reconfirmation of our working capital management processes.
Improving our information systems	Shareholders, employees, clients	<ul style="list-style-type: none"> ■ The board monitored progress on the development of a new information system to improve the way in which Frontier manages internal data, such as staff personal information, timesheets, leave, expenses and project details. ■ The new information system was successfully launched in March 2023.
Support for employees most impacted by increased cost of living	Shareholders, employees	<ul style="list-style-type: none"> ■ As a result of the significant rise in the cost of living in 2022, a number of measures were put in place to support employees on lower incomes who may have been particularly impacted. As part of this, the board approved one-off spot payments for those on remuneration packages below a certain amount and above-standard salary increases for most staff, other than the most senior. ■ The board continues to monitor the impact of the cost of living on employees.

FRONTIER ECONOMICS LIMITED

STRATEGIC REPORT (CONTINUED)

COMPANIES ACT SECTION 172 STATEMENT (CONTINUED)

DECISION/EVENT	S172 MATTERS AFFECTED	ACTIONS AND IMPACT
Approval of Modern Slavery Statement and Whistleblowing Policy	Community, environment	<ul style="list-style-type: none"> ■ The board considered and approved an updated Modern Slavery Statement and Whistleblowing Policy. ■ During the year, the company also remade its commitment to the UN Global Compact.

Approval

This strategic report was approved on behalf of the board on 23 October 2023

DocuSigned by:

Anne-Marie Grimwade

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A Grimwade

Director

FRONTIER ECONOMICS LIMITED

STREAMLINED ENERGY AND CARBON REPORTING

Streamlined Energy and Carbon Reporting (SECR) is a Companies Act 2006 requirement for annual reporting and disclosure of energy and carbon information within company accounts. This section gives an overview of how Frontier has managed and audited its carbon emissions and provides the necessary information for compliance with SECR.

MANAGING AND AUDITING OUR CARBON EMISSIONS

Frontier's vision for environmental sustainability is built on our values, which distinguish us and guide our actions. We are committed to actively minimising the adverse impact that our business has on the environment. We seek engagement both within the business and with the wider community to promote greater environmental responsibility as a company.

Frontier also reaffirmed its annual commitment to the UN Global Compact this year. This is an initiative which, among other areas, demonstrates our undertaking to promote greater environmental responsibility and encourage the use of environmentally friendly technology.

We have been a 'carbon-zero' company since 2010 and our green remit continue to work to integrate environmental sustainability into Frontier's day-to-day operations. As well as working on issues mentioned above, they engage Frontier employees in green policy debates through discussion and events, and encourage environmental responsibility across the company through behavioural nudges.

The total carbon emissions from this period matches the increase from the previous assessment. The recent rise in emissions reflects the ongoing resumption of air travel by Frontier post-COVID19. Direct comparisons to the previous 2 reporting years during the COVID era need to be taken with caution and a truer reflection of the company's growth / reduction in emissions can be drawn from the pre-COVID 2019 carbon assessment. When compared against the 2022/23 data, it shows a reduction in this current period of over 12%.

The latest carbon audit report includes once again the carbon emissions related to Frontier's home working model. These estimates are based on the Home Emissions Whitepaper produced by EcoAct in partnership with Lloyds Banking Group and NatWest Group.

Looking ahead, Frontier remains committed to affect further reduction in emissions caused by travel as well as energy usage of its offices.

FRONTIER ECONOMICS LIMITED

STREAMLINED ENERGY AND CARBON REPORTING (CONTINUED)

BACKGROUND AND METHODOLOGY

As an economics consultancy operating in an office environment, our main environmental impacts are electricity and business travel emissions. For offices for whom energy data is unavailable¹, CO2e per sqm of air-conditioned office space is applied. Emissions for rail and taxi travel are based on pounds (£) spent per category (CO2e per £).

Frontier uses the firm CO2balance UK Ltd to run an audit of its greenhouse gas emissions each year. These annual reviews are based on the data Frontier produces, which CO2balance analyse and review. Emissions factors are taken from Defra/DECC's 'UK government conversion factors for company reporting'.

The assessment methodology for the greenhouse gas review follows the reporting guidelines provided by the Greenhouse Gas Protocol, which is published by the World Business Council for Sustainable Development and the World Resources Institute (WBCSD/WRI Protocol).

Frontier has 14 years of CO2 reports, audited by CO2balance UK Ltd, and to date we have offset 7,933.27 tonnes of carbon dioxide emissions to balance out our carbon footprint. Offsets are conducted through social impact carbon offset projects in Africa, run by CO2balance.

ORGANISATIONAL BOUNDARY

Frontier operates as one company registered in the UK so, for the purpose of our annual carbon footprint report, CO2balance calculate the emissions for all Frontier offices (Berlin, Brussels, Cologne, Dublin, London, Madrid and Paris), reporting overall company emissions.

Our annual review reports emissions under all three scopes defined under the Greenhouse Gas Protocol and the ISO 14064_1 standard, as below:

- Scope 1 – Direct emissions.
- Scope 2 – Indirect emissions.
- Scope 3 – Indirect emissions (outsourced operations).

¹ Applicable to the Berlin office only.

FRONTIER ECONOMICS LIMITED

STREAMLINED ENERGY AND CARBON REPORTING (CONTINUED)

ORGANISATIONAL BOUNDARY (CONTINUED)

CATEGORY	ACTIVITY	SCOPE
ENERGY/PREMISE	Gas consumption	Scope 1
	Electricity	Scope 2
	Water usage	Scope 3
	Waste disposal	Scope 3
BUSINESS TRAVEL	Air travel	Scope 3
	Rail travel	Scope 3
	Taxis	Scope 3
	Eurostar	Scope 3
	Hotel stays	Scope 3
	Public transport travel	Scope 3
	Staff-owned vehicles	Scope 3

INTENSITY RATIO

Since 2009, Frontier has grown significantly. Our total number of employees has increased year on year, and we've expanded our office space across Europe. We've therefore normalised our data by reporting an intensity ratio of tCO₂e per full-time employee (FTE), allowing for a more meaningful comparison over time.

EMISSIONS REPORTING OVERVIEW

For the current report, which covers the financial year May 2022 to April 2023, we show results to the previously reported 12 months covering the financial year May 2021 to April 2022, yet it will be more meaningful to compare the current reporting period to the 2019 data, covering January 2019 to December 2019 as this data is a pre-covid comparison.

FRONTIER ECONOMICS LIMITED
STREAMLINED ENERGY AND CARBON REPORTING (CONTINUED)

FIGURE 1: COMPARISON OF EMISSIONS BETWEEN CURRENT AND PREVIOUS PERIOD

	Current reporting period May 2022 to Apr 2023		Previous reporting period May 2021 to Apr 2022		Reporting period Jan 2019 to Dec 2019	
	UK (TCO2E)	EU OFFICES² (TCO2E)	UK (TCO2E)	EU OFFICES (TCO2E)	UK (TCO2E)	EU OFFICES (TCO2E)
Energy usage (kWh)	354,182	146,303	328,195	141,775	422,236	138,157
Emissions from activities that the company own or control (scope 1)	-	-	-	-	-	-
Emissions from purchased electricity, steam and cooling (scope 2 - market based)	73.34	44.95	63.47	44.51	101.47	58.91
Total gross scope 1 & 2 emissions	73.34	44.95	63.47	44.51	101.47	58.91
Total scope 3 emissions	207.03	246.10	82.41	72.02	236.60	255.58
Total emissions – scope 1, 2 & 3	280.37	291.05	145.88	116.53	338.07	314.49
Total company emissions	571.42		262.41		652.56	
Intensity ratio – tCO2e per FTE	0.96	2.11	0.57	0.96	1.39	3.24
Total company intensity ratio – tCO2e per FTE	1.33		0.70		1.91	
Information about energy efficiency action taken by the organisation	Our goal continues to be the integration of environmental sustainability into our day-to-day operations, decision making and organisational values. Our objectives are focused on developing measures and a long-term carbon footprint reduction strategy (incorporating sustainability targets and indicators and inputting into business policies which have a direct or indirect impact on the environment).					

SOURCE: CO2 AUDIT REPORT BY CO2BALANCE UK LTD

² Defined as emissions from the company's offices based in Berlin, Brussels, Cologne, Dublin, London, Madrid and Paris.

FRONTIER ECONOMICS LIMITED

DIRECTORS' REPORT

DIRECTORS

The directors of the company this year were:

D Aitman
M Bax
M Bell
P Burns
D Elliott (resigned 30 November 2022)
S Gaysford (resigned 30 November 2022)
A Grimwade
G Houpis
Lord O'Donnell
D Parker
C Riechmann
J Romano
S Snelson
L Tobin (appointed 19 October 2022)

CHARITABLE DONATIONS

This year, donations totalling £28,317 (2022: £27,600) were made to charitable organisations.

QUALIFYING INDEMNITY PROVISIONS

Directors' insurance cover has been established for all directors to provide appropriate cover for their reasonable actions on behalf of Frontier. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2023 financial year and remain in force for all current and past directors of Frontier.

COMPANIES ACT 2006 SECTION 172 AND STREAMLINED ENERGY AND CARBON REPORTING

The Companies Act 2006 section 172 statement has been included in the Strategic Report and the Streamlined Energy and Carbon Report is included separately above.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the strategic report, directors' report and the financial statements, in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have chosen to prepare the financial statements in accordance with UK GAAP (UK accounting standards and applicable law). Under company law, the directors must not approve the financial statements unless they're satisfied that they give a true and fair view of the state of affairs of the company, and of the company's profit or loss, for that period.

FRONTIER ECONOMICS LIMITED

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

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

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

The directors are responsible for keeping adequate accounting records. These should show and explain the company's transactions, disclose the financial position of the company and enable the directors to ensure the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the company's assets, and so must take reasonable steps towards the prevention and detection of fraud and other irregularities.


Frontier's financial statements are published on the company's website, in accordance with UK legislation. The maintenance and integrity of the company's website is the responsibility of the directors, and so is the ongoing integrity of the financial statements.

AUDITORS

The current directors have taken all the necessary steps to make themselves aware of any information needed by the company's auditors, and to establish that the auditors are aware of that information. The directors are not aware of any relevant information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2), they will be automatically re-appointed as auditors 28 days after these accounts are sent to the members.

By order of the board

DocuSigned by:

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A Grimwade

Director

Date 23 October 2023

FRONTIER ECONOMICS LIMITED

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF FRONTIER ECONOMICS LIMITED

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2023 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.

We have audited the financial statements of Frontier Economics Limited ("the Company") for the year ended 30 April 2023 which comprise the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, The Statement of Cash Flows and 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).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

FRONTIER ECONOMICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

CONCLUSIONS RELATING TO GOING CONCERN (CONTINUED)

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 Directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES ACT 2006 REPORTING

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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 Directors' report.

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

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

FRONTIER ECONOMICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be FRS 102 and Companies Act 2006.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Modern Slavery Act, PAYE legislation and VAT legislation.

FRONTIER ECONOMICS LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Non-compliance with laws and regulations (continued)

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Confirmation from the Company's lawyers as to any ongoing legal claims.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Considering remuneration performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be valuation of accrued income, accuracy of deferred income and management override.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- We have reviewed areas of the revenue cycle which may be subject to bias including a review of accrued income by director, ensuring on a sample basis that time billed to customers is not in excess of time recorded and the project rates are agreed to other supporting information. We have also reviewed on a sample basis that credit notes do not represent revenue transactions in dispute.

FRONTIER ECONOMICS LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Fraud (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Stuart Godfrey

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Stuart Godfrey (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

23 October 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FRONTIER ECONOMICS LIMITED
STATEMENT OF COMPREHENSIVE INCOME

	Note	2023 £	2022 £ (as restated - see note 3)
Turnover	4	80,570,440	69,308,955
Cost of Sales		(4,477,343)	(2,487,234)
		-----	-----
Gross profit		76,093,097	66,821,721
Administrative costs		(74,706,436)	(65,796,484)
		-----	-----
Operating profit	5	1,386,661	1,025,237
Interest receivable		2,150	2,620
Interest payable		(71,255)	(2,508)
		-----	-----
Profit on ordinary activities before taxation		1,317,556	1,025,349
Taxation on profits on ordinary activities	8	(377,926)	92,460
		-----	-----
Profit for the financial year and total comprehensive income		939,630	1,117,809
		=====	=====

All amounts relate to continuing activities.

There are no recognised gains and losses other than those included in the above statement of comprehensive income.

The notes on pages 26 to 40 form part of these financial statements.

FRONTIER ECONOMICS LIMITED

BALANCE SHEET

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	9		2,758,616		2,217,028
Intangible assets	10		1,034,095		-
			-----		-----
Total fixed assets			3,792,711		2,217,028
Current assets					
Debtors	11	31,973,574		30,572,543	
Cash at bank and in hand		3,078,494		419,235	
		-----		-----	
			35,052,068		30,991,778
Creditors: amounts falling due within one year	12	31,213,769		26,526,009	
		-----		-----	
Net current assets			3,838,299		4,465,769
			-----		-----
Total assets less current liabilities			7,631,010		6,682,797
			-----		-----
Net assets			7,631,010		6,682,797
			=====		=====
Capital and reserves					
Called-up share capital	16		3,053		434
Share premium			6,469		569
Capital redemption reserve			228		164
Profit and loss account			7,621,260		6,681,630
			-----		-----
Shareholders' funds			7,631,010		6,682,797
			=====		=====

The financial statements were approved by the board of directors and authorised for issue on 23 October 2023

DocuSigned by:

Anne-Marie Grimwade

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A Grimwade

Director

The notes on pages 26 to 40 form part of these financial statements.

FRONTIER ECONOMICS LIMITED

STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total equity £
1 May 2022	434	569	164	6,681,630	6,682,797
Profit and total comprehensive income for the year	-	-	-	939,630	939,630
Contributions by and distributions to owners					
Cancellation of shares	(64)	-	64	-	-
Issue of shares	2,683	5,900	-	-	8,583
Total contributions by and distributions to owners	2,619	5,900	64	-	8,583
30 April 2023	3,053	6,469	228	7,621,260	7,631,010

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total Equity £
1 May 2021	412	503	155	5,563,821	5,564,891
Profit and total comprehensive income for the year	-	-	-	1,117,809	1,117,809
Contributions by and distributions to owners					
Cancellation of shares	(9)	-	9	-	-
Issue of shares	31	66	-	-	97
Total contributions by and distributions to owners	22	66	9	-	97
30 April 2022	434	569	164	6,681,630	6,682,797

The notes on pages 26 to 40 form part of these financial statements.

FRONTIER ECONOMICS LIMITED

STATEMENT OF CASH FLOWS

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit for the financial year		939,630	1,117,809
Adjustments for:			
Depreciation	9	1,191,743	1,247,138
Amortisation	10	29,411	21,546
Net interest		69,105	(112)
Taxation charge/(credit)	8	377,926	(92,460)
Increase in trade and other debtors		(1,434,055)	(4,188,876)
Increase in trade and other creditors		4,705,604	1,837,597
Profit on disposal of tangible fixed assets		(951)	(619)
		-----	-----
Cash from operations		5,878,413	(57,977)
Interest paid		(71,255)	(2,508)
Interest received		2,150	2,620
Taxation paid		(362,744)	(133,755)
		-----	-----
Net cash generated from/(used in) operating activities		5,446,564	(191,620)
		-----	-----
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		1,552	1,850
Purchases of tangible fixed assets	9	(1,733,934)	(1,014,893)
Purchases of intangible assets	10	(1,063,506)	-
		-----	-----
Net cash used in investing activities		(2,795,888)	(1,013,043)
		-----	-----
Cash flows from financing activities			
Issue of shares		8,583	97
		-----	-----
Net cash generated from financing activities		8,583	97
		-----	-----
Net increase/(decrease) in cash and cash equivalents		2,659,259	(1,204,566)
Cash and cash equivalents at beginning of year		419,235	1,623,801
		-----	-----
Cash and cash equivalents at end of year		3,078,494	419,235
		=====	=====

The notes on pages 26 to 40 form part of these financial statements.

FRONTIER ECONOMICS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Frontier Economics Limited is a private company limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page, and the nature of the company's operations and its main activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland.

Preparing financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the company's management to exercise judgement in applying accounting policies.

The following principal accounting policies have been applied:

TURNOVER

In line with FRS 102, revenue for services is measured at the fair value of the consideration received or receivable, and when the company has obtained a right to consideration for those services. Unbilled work in progress at the end of the period, which is charged on a time and materials basis, is valued according to timesheet records. Unbilled work in progress at the end of the period, which is charged on a fixed or capped fee basis, is valued according to the stage of completion, taking into account the estimated total costs. Where the right to consideration is conditional or contingent on the outcome of a specified future event, the occurrence of which is outside the company's control, then the revenue is not recognised until the critical event occurs.

GOING CONCERN

The directors have continued to pay particular attention to the assessment of the continued going concern of the company as the impact of the Covid-19 pandemic reduced but new external risks emerged associated with the war in Ukraine, increased variable costs and the inflationary environment. They conclude that there is a reasonable expectation the company will be able to continue to operate for the foreseeable future.

By design, Frontier has a resilient business model, which would be able to withstand periods of revenue significantly below current levels. Flexibility is built into our bonus scheme, which tracks the operating profit of the company. In the event of any prolonged period of lower revenue, the directors would take mitigating action, such as reducing overheads, whilst in extreme circumstances, such as seen during the Covid pandemic, the timing of bonus payments earned through our bonus scheme can also be flexed to manage any material and unexpected timing delays on cash payments from clients.

Overall, the future revenue pipeline remains positive, with revenue growth expected across the next financial year. The directors have available an existing overdraft facility of £4.5m. The overdraft facility is due for renewal in December 2023 and the directors expect this facility to be renewed. In a sensitised forecast, the directors would utilise the overdraft facility to cover any potential shortfalls in cash. Additionally, it is expected that the company will enter into a loan facility within the next year to part-fund the fit-out costs of the new office in London.

FRONTIER ECONOMICS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

GOING CONCERN (CONTINUED)

On this basis, the directors have a reasonable expectation that the group will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval date of these financial statements. Accordingly, the company continues to adopt the going concern basis in preparing the statements.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand, and highly liquid interest-bearing securities with maturities of three months or less, subject to insignificant risk of change in value.

INTANGIBLE FIXED ASSETS

(a) Website development costs

The future revenues generated by the company website are expected to outweigh the cost of developing the website. When all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. Expenditure incurred on maintaining and developing websites used only for advertising and promotional purposes is written off as incurred.

Amortisation is charged to the income statement on a straight-line basis, over the estimated useful life of the asset. The estimated useful life of the website development costs is five years. Assets under construction are not amortised until the asset is fully brought into use.

(b) Information system

The future revenues generated by information system are expected to outweigh the cost of developing the system. When all other capitalisation criteria are met, expenditure on the functionality of the system is capitalised and treated as an intangible fixed asset. Expenditure incurred on maintaining the live system is written off as incurred.

Amortisation is charged to the income statement on a straight-line basis, over the estimated useful life of the asset. The estimated useful life of the information system costs is five years. Assets under construction are not amortised until the asset is fully brought into use.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated as 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 operate in the manner intended by management.

To the carrying amount of a fixed asset, the company adds the cost of replacing part of the asset when the replacement part is expected to provide incremental benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

FRONTIER ECONOMICS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

DEPRECIATION

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Leasehold improvements	-	The term of the lease
Fixtures and fittings	-	4-5 years
Computers and equipment	-	3-5 years

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

FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Sterling, which is the company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the company's functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

FRONTIER ECONOMICS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

CURRENT AND DEFERRED TAXATION

The tax expense for the period is made up of current and deferred tax. Tax is recognised in profit or loss. There are some exceptions to this: charges attributable to items of income or expense recognised as other comprehensive income, or to items recognised directly in equity, are also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not been reversed by the balance sheet date, except:

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

Deferred tax balances are not recognised in respect of permanent differences, except for business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired, the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

LEASES

Where the group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the wear and tear occurs.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

PENSION COSTS

Contributions to employees' personal pension plans are charged to the statement of comprehensive income in the year in which they become payable.

HOLIDAY PAY ACCRUAL

Any unused holiday pay entitlement that has accrued at the year end date is recognised as a liability and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement that was accrued at the year end date.

FRONTIER ECONOMICS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

RESERVES

The company's reserves are as follows:

- The called-up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The capital redemption reserve contains the nominal value of owned shares that have been acquired by the company and cancelled.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

SHARE-BASED EMPLOYEE REMUNERATION

The company operates a long-term incentive plan and share option scheme. The fair value of the conditional awards of shares granted under these schemes is determined at the date of grant. This fair value is then expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest.

FINANCIAL INSTRUMENTS

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities – like cash and cash equivalents, trade and other debtors and creditors, loans from related parties and other third parties, and accrued expenses.

Debt instruments (other than those wholly repayable or receivable within one year), including loan and other debtors and creditors, are initially measured at the present value of the future cash flows. They are subsequently measured at amortised cost, using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors or creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, the financial asset or liability is measured, initially, at the present value of the future cash flow – discounted at a market rate of interest for a similar debt instrument – and subsequently at amortised cost.

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 evidence is found, an impairment loss is recognised in the income statement. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows, discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and a best estimate of the recoverable amount. The latter is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

FRONTIER ECONOMICS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have made the following judgements:

- Unbilled work in progress at the end of the period, which is charged on a time and materials basis, is valued according to timesheet records. Unbilled work in progress at the end of the period, which is charged on a fixed or capped fee basis, is valued according to the stage of completion, taking into account the estimated total costs or, in the case of milestone contracts, fully completed milestones.
- Share scheme assumptions are detailed within note 17.

3 PRIOR YEAR ADJUSTMENT

The directors have reconsidered that the fees payable for the use of subcontractors should be classified as cost of sales. In the prior year, the fees payable were classified as administrative costs. The amount of £2,487,234 has been restated which is in line with the nature of the cost incurred being a direct project expense.

4 TURNOVER

	2023 £	2022 £
United Kingdom	36,005,133	29,710,272
Europe	34,293,693	29,871,804
Rest of world	10,271,614	9,726,879
	-----	-----
	80,570,440	69,308,955
	=====	=====

Turnover is derived through the rendering of consultancy services.

5 OPERATING PROFIT

	2023 £	2022 £
This is arrived at after charging/(crediting):		
Auditors' remuneration		
- audit services	62,600	48,600
- taxation	41,200	71,256
- non audit services	145,539	142,619
Depreciation	1,191,743	1,247,138
Amortisation	29,411	21,546
Operating lease rentals – land and buildings	2,821,711	2,834,884
Foreign exchange (gains)	(133,634)	(12,467)
Profit on sale of fixed assets	(951)	(619)
	=====	=====

FRONTIER ECONOMICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

6 EMPLOYEES

	2023 £	2022 £
Staff costs (including directors) consist of:		
Wages and salaries	53,271,048	47,476,227
Social security costs	7,018,428	6,525,864
Pension costs	679,495	565,741
	-----	-----
	60,968,971	54,567,832
	=====	=====

The average number of employees during the year was 427 (2022: 395).

7 DIRECTORS' REMUNERATION

	2023 £	2022 £
Emoluments	5,247,613	5,645,036
Pension costs	102,760	75,924
	-----	-----
	5,350,373	5,720,960
	=====	=====

Salary sacrifice contributions to personal pension plans were made in respect of 5 directors (2022: 4).

The highest paid director received emoluments totalling £1,000,432 (2022: £1,312,909) and salary sacrifice pension contributions of £nil (2022: £nil) were paid on their behalf during the year.

FRONTIER ECONOMICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

8 TAXATION ON PROFIT FROM ORDINARY ACTIVITIES

	2023 £	2022 £
<i>Current tax</i>		
UK corporation tax on profits of the year	-	117,954
Adjustment in respect of prior periods	11,467	(266,609)
Foreign taxes suffered	209,050	193,835
	-----	-----
Total current tax charge	220,517	45,180
	=====	=====
<i>Deferred tax</i>		
Total deferred tax charge/(credit)	157,409	(137,640)
	-----	-----
Total tax on profit from ordinary activities	377,926	(92,460)
	=====	=====
Reconciliation to tax charge/(credit) for the year:		
Profit before tax per financial statements	1,317,556	1,025,349
	=====	=====
Expected tax charge at average UK corporation tax rate of 19% (2022: 19%)	256,833	194,816
<i>Effects of:</i>		
Expenses not deductible for tax purposes	29,822	25,658
Depreciation on assets not eligible for capital allowances	14,977	2,575
Other permanent differences	(43,512)	(4,368)
Adjustment in respect of previous periods - deferred tax	5,684	(47,120)
Adjustment in respect of previous periods - current tax	11,467	(266,609)
Foreign tax credit	24,964	22,988
Foreign taxes suffered	150,228	121,529
Double taxation relief provision	(105,958)	(31,642)
Remeasurement of deferred tax for changes in tax rates	33,421	(110,287)
	-----	-----
Total tax on profit from ordinary activities	377,926	(92,460)
	=====	=====

FRONTIER ECONOMICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

8 TAXATION ON PROFIT FROM ORDINARY ACTIVITIES (CONTINUED)

The company's overseas tax rates are higher than those in the UK. This is mainly because profits earned in Germany are taxed at an effective rate in excess of 32% (2022: 32%) and profits earned in France are taxed at an effective rate of 25% (2022: 26%). There is no indication that these rates are likely to change in the near future.

Following the announcement made in the Chancellor's Spring Budget regarding an increase to the UK corporate tax rate from 19% to 25% from 1 April 2023, the Finance Bill 2021 was substantively enacted on 24 May 2021. As accounting standards require deferred tax to be measured at tax rates that have been substantively enacted at the reporting date, the Company's deferred tax balances have been re-measured accordingly and the impact has been reflected within the financial statements.

9 TANGIBLE ASSETS

	Leasehold improvements £	Fixtures and fittings £	Computers and equipment £	Total £
<i>Cost</i>				
At 1 May 2022	5,451,808	1,644,119	3,999,892	11,095,819
Additions	1,043,962	183,385	506,587	1,733,934
Disposals	-	(7,446)	-	(7,446)
	-----	-----	-----	-----
At 30 April 2023	6,495,770	1,820,058	4,506,479	12,822,307
	-----	-----	-----	-----
<i>Depreciation</i>				
At 1 May 2022	4,687,518	1,243,304	2,947,969	8,878,791
Charge for year	374,583	155,044	662,116	1,191,743
Disposals	-	(6,843)	-	(6,843)
	-----	-----	-----	-----
At 30 April 2023	5,062,101	1,391,505	3,610,085	10,063,691
	-----	-----	-----	-----
<i>Net book value</i>				
At 30 April 2023	1,433,669	428,553	896,394	2,758,616
	=====	=====	=====	=====
At 30 April 2022	764,290	400,815	1,051,923	2,217,028
	=====	=====	=====	=====

FRONTIER ECONOMICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

10 INTANGIBLE ASSETS

	Information systems £	Websites £	Total £
<i>Cost</i>			
At 1 May 2022	-	179,000	179,000
Additions	923,506	140,000	1,063,506
Disposals	-	-	-
	-----	-----	-----
At 30 April 2023	923,506	319,000	1,242,506
	-----	-----	-----
<i>Amortisation</i>			
At 1 May 2022	-	179,000	179,000
Charge for year	29,411	-	29,411
Disposals	-	-	-
	-----	-----	-----
At 30 April 2023	29,411	179,000	208,411
	-----	-----	-----
<i>Net book value</i>			
At 30 April 2023	894,095	140,000	1,034,095
	=====	=====	=====
At 30 April 2022	-	-	-
	=====	=====	=====

FRONTIER ECONOMICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

11 DEBTORS

	2023	2022
	£	£
Trade debtors	15,313,781	19,676,013
Other debtors	393,738	410,983
Accrued income	13,929,501	8,314,062
Prepayments	1,910,047	1,711,954
Deferred tax asset	302,122	459,531
UK corporation tax	124,385	-
	-----	-----
	31,973,574	30,572,543
	=====	=====

All amounts shown under debtors fall due for payment within one year.

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	1,919,722	943,597
Other creditors	327,909	290,045
Creditors for taxation and social security	2,880,630	2,580,774
Accruals and deferred income	26,085,508	22,693,749
UK corporation tax	-	17,844
	-----	-----
	31,213,769	26,526,009
	=====	=====

FRONTIER ECONOMICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

13 FINANCIAL INSTRUMENTS

	2023	2022
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	33,031,820	28,894,704
	<u> </u>	<u> </u>
Financial liabilities		
Financial liabilities measured at amortised cost	28,333,139	23,927,390
	<u> </u>	<u> </u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and deferred income.

14 COMMITMENTS UNDER OPERATING LEASES

The company had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2023 £	Land and buildings 2022 £
Within one year	2,699,618	2,701,708
In two to five years	6,112,549	7,564,811
After more than five years	1,759,463	697,828
	<u> </u>	<u> </u>
	10,571,630	10,964,347
	<u> </u>	<u> </u>

In February 2023, the company entered into an agreement for a lease on London office premises. The effective date for the lease is contingent on the practical completion of the building works which is expected to be in the next financial year.

15 COMMITMENTS TO CAPITAL EXPENDITURE

The company is committed to £427,340 (2022: £130,000) which relates to capital expenditure that is contracted but not provided for at the year end date. Amounts in commitments to capital expenditure are payable within one year.

FRONTIER ECONOMICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

16 SHARE CAPITAL

	Allotted, called up and fully paid	
	2023	2022
	£	£
6,106 (2022: 867) ordinary shares of 50p each	3,053	434

On 24 June 2022, 4,556 ordinary shares of 50p each were issued at par and on 24 March 2023, 810 ordinary shares of 50p each were issued at par. During the year, 127 ordinary shares of 50p each were cancelled (2022: 17).

Share options

Date of grant	Number of shares	Expiry date	Option price
<i>Unapproved share option scheme</i>			
2015	59,999	30/04/2024	160p
<i>Share option scheme</i>			
2014	700,000	30/04/2024	160p
2016	1,503,172	10/03/2026	160p
2017	364,715	15/04/2027	160p
2018	94,955	01/03/2028	160p
2019	734,432	25/07/2029	160p
2020	1,011,428	18/03/2031	160p
2021	843,527	26/01/2032	160p
2022	944,666	24/03/2023	160p

The company has issued 944,666 new and replacement share options. For further details of options granted and outstanding at the year end, refer to note 17.

FRONTIER ECONOMICS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

17 SHARE-BASED PAYMENT

The company operates two equity-settled share-based remuneration schemes for employees: an unapproved scheme and an Enterprise Management Incentive (EMI) scheme for qualifying employees.

Options are only exercisable if, in the opinion of the directors, there will be a change in control of the company or on the discretion of the directors. The directors don't believe this will happen in the foreseeable future, so no fair value charge has been reflected in these financial statements, and no charge is anticipated in future financial statements. At each year end, and prior to the approval of the financial statements, the directors will reconsider the likelihood of a change in control.

If an individual leaves the company, the option lapses.

	30 April 2023	30 April 2023	30 April 2022	30 April 2022
	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)	Number
Outstanding at the beginning of the period	160	5,738,133	160	5,025,177
Granted during the period	-	944,666	-	871,939
Forfeited during the period	-	(222,475)	-	(158,983)
Lapsed during the period	-	(203,430)	-	-
	-----	-----	-----	-----
Outstanding at the end of the period	160	6,256,894	160	5,738,133
	=====	=====	=====	=====

The exercise price of options outstanding at the end of the period was 160p (2022: 160p) and their weighted average contractual life was 5.8 years (2022: 6.75 years).

Of the total number of options outstanding at the end of the period, none (2022: none) had vested and were exercisable at the end of the period.

The company did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

FRONTIER ECONOMICS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

18 BANK GUARANTEES

The company is a guarantor of letters of credit to its clients and landlords amounting to £389,162 (2022: £322,859) on the assets of the company for the purposes of rental and tender guarantees.

19 ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party in the current and comparative year based on the shareholdings in the company.

Key management personnel include all directors and a number of senior managers across the company. Together, they have authority and responsibility for planning, directing and controlling the company's activities.

The total compensation paid to key management personnel for services provided to the company was £18,214,099 (2022: £17,841,768).



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