

Company registration number 05161268 (England and Wales)

DRUMMOND CENTRAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

DRUMMOND CENTRAL LIMITED

COMPANY INFORMATION

Directors	Daniel Appleby Sharon Coull Julie Drummond Stephen Drummond
Company number	05161268
Registered office	70 Jesmond Road West Newcastle upon Tyne Tyne & Wear NE2 4PQ
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear England NE2 1TJ

DRUMMOND CENTRAL LIMITED

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DRUMMOND CENTRAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report for the year ended 30 June 2023.

Review of the business

Business Review and key performance indicators

The business has enjoyed a good year of results, strengthened its client base and increased investment in people.

The company's key performance indicators are gross profit, profit before tax and profitability.

Gross profit was £7,029,589, a small decline of 3% on prior year, this was in line with our latest business outlook and due to the phasing of the delivery of some key, high value projects.

Profit before tax was £1,922,252 and profitability, taking into account any exceptional non trading items, remains in line with business expectations.

Principal risks and uncertainties

Principal risks to the company include the following:

Key clients

The company continues to broaden and diversify its client base and mitigate any risk by developing new business relationships and working with clients across a range of industries.

Keeping in line with technological advancements

The company continues to invest time and resources into researching available technology and investing in the most appropriate solutions to further enhance the company's capability in this area.

Economic environment

The risk covers both the client base and impact on their marketing budgets. Through demonstrating both results and the impact of projects delivered to clients, the company aims to continue to establish the value of investing in brand, marketing and advertising.

On behalf of the board

Julie Drummond

Director

26 February 2024

DRUMMOND CENTRAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Principal activities

The principal activity of the company continued to that of a strategic creative agency providing a range of services from brand strategy through to the implementation of advertising and marketing campaigns.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £272,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Daniel Appleby
Sharon Coull
Julie Drummond
Stephen Drummond

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

DRUMMOND CENTRAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

On behalf of the board

Julie Drummond
Director

26 February 2024

DRUMMOND CENTRAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DRUMMOND CENTRAL LIMITED

Opinion

We have audited the financial statements of Drummond Central Limited (the 'company') for the year ended 30 June 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

The comparative results were not audited, as there was no requirement to do so.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 our 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.

DRUMMOND CENTRAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DRUMMOND CENTRAL LIMITED

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 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant.

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.

DRUMMOND CENTRAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF DRUMMOND CENTRAL LIMITED

Michael T Moran BA FCA
Senior Statutory Auditor
For and on behalf of Robson Laidler Accountants Limited

26 February 2024

Accountants
Statutory Auditor

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
England
NE2 1TJ

DRUMMOND CENTRAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
Turnover	3	16,512,731	14,717,996
Cost of sales		(9,483,142)	(7,453,056)
Gross profit		7,029,589	7,264,940
Administrative expenses		(6,770,473)	(2,917,713)
Other operating income		1,387,006	1,851,393
Operating profit	5	1,646,122	6,198,620
Interest receivable and similar income	8	171,333	(710,504)
Interest payable and similar expenses		-	175
Amounts written off investments	9	104,797	-
Profit before taxation		1,922,252	5,488,291
Tax on profit	10	(363,325)	(1,010,611)
Profit for the financial year		1,558,927	4,477,680

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DRUMMOND CENTRAL LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		-		236,195
Tangible assets	13		75,574		94,242
			<u>75,574</u>		<u>330,437</u>
Current assets					
Debtors	14	2,221,268		3,167,464	
Investments	15	131,754		9,421,920	
Cash at bank and in hand		3,876,196		5,265,574	
		<u>6,229,218</u>		<u>17,854,958</u>	
Creditors: amounts falling due within one year	16	(3,044,644)		(2,023,100)	
Net current assets			<u>3,184,574</u>		<u>15,831,858</u>
Total assets less current liabilities			<u>3,260,148</u>		<u>16,162,295</u>
Provisions for liabilities					
Deferred tax liability	17	14,673		24,873	
		<u>14,673</u>	<u>(14,673)</u>	<u>24,873</u>	<u>(24,873)</u>
Net assets			<u>3,245,475</u>		<u>16,137,422</u>
Capital and reserves					
Called up share capital	19		96,660		90,000
Equity reserve			2,779,936		30,555
Profit and loss reserves			368,879		16,016,867
Total equity			<u>3,245,475</u>		<u>16,137,422</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 26 February 2024 and are signed on its behalf by:

Julie Drummond
Director

Company registration number 05161268 (England and Wales)

DRUMMOND CENTRAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

		Share capital	Equity reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 July 2021		90,000	24,625	13,635,187	13,749,812
Year ended 30 June 2022:					
Profit and total comprehensive income		-	-	4,477,680	4,477,680
Dividends	11	-	-	(2,096,000)	(2,096,000)
Other movements		-	5,930	-	5,930
Balance at 30 June 2022		90,000	30,555	16,016,867	16,137,422
Year ended 30 June 2023:					
Profit and total comprehensive income		-	-	1,558,927	1,558,927
Issue of share capital	19	6,660	-	-	6,660
Dividends	11	-	-	(272,000)	(272,000)
Other movements		-	2,749,381	(16,934,915)	(14,185,534)
Balance at 30 June 2023		96,660	2,779,936	368,879	3,245,475

DRUMMOND CENTRAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	24	7,303,741	5,399,263
Interest paid		-	175
Income taxes paid		(981,515)	(1,105,175)
Net cash inflow from operating activities		<u>6,322,226</u>	<u>4,294,263</u>
Investing activities			
Purchase of tangible fixed assets		(39,945)	(102,568)
Purchase of investments		-	(2,999,949)
Proceeds from disposal of investments		9,420,082	-
Repayment of loans		(71,671)	-
Interest received		99,313	2,375
Dividends received		61,564	244,672
Other income received from investments		25,968	(957,551)
Net cash generated from/(used in) investing activities		<u>9,495,311</u>	<u>(3,813,021)</u>
Financing activities			
Dividends paid		(272,000)	(2,096,000)
Net cash used in financing activities		<u>(272,000)</u>	<u>(2,096,000)</u>
Net increase/(decrease) in cash and cash equivalents		<u>15,545,537</u>	<u>(1,614,758)</u>
Cash and cash equivalents at beginning of year		5,265,574	6,880,332
Capital distributions to Employee Ownership Trust		(16,934,915)	-
Cash and cash equivalents at end of year		<u><u>3,876,196</u></u>	<u><u>5,265,574</u></u>

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

Drummond Central Limited is a private company limited by shares incorporated in England and Wales. The registered office is 70 Jesmond Road West, Newcastle upon Tyne, Tyne & Wear, NE2 4PQ.

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

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

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.5 Tangible fixed assets

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

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

Leasehold improvements	20% straight line basis
Fixtures, fittings and equipment	25% reducing balance basis
Computer equipment	33% straight line basis

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

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

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

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

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

Deferred tax

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

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

1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.14 Leases

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

1.15 Government grants

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

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

1.16 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	3,795,100	3,970,584
Europe	12,717,631	10,747,412
	<u>16,512,731</u>	<u>14,717,996</u>

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

3	Turnover and other revenue	(Continued)	
		2023	2022
		£	£
	Other revenue		
	Interest income	109,769	(955,176)
	Royalty income	196	-
	Dividends received	61,564	244,672
	Commissions received	1,386,810	1,843,393
	Grants received	-	8,000
		<u> </u>	<u> </u>

4 Exceptional item

Included within wages and salaries in the year to 30 June 2023 is £2,756,041 in relation to the exercise of EMI share options, this is considered to be an exceptional expense in the year.

5 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(8,000)
Fees payable to the company's auditor for the audit of the company's financial statements	14,271	-
Depreciation of owned tangible fixed assets	58,613	60,502
Amortisation of intangible assets	-	51,470
Impairment of intangible assets	236,195	-
Share-based payments	2,756,041	5,930
Operating lease charges	94,216	90,077
	<u> </u>	<u> </u>

6 Employees

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

2023	2022
Number	Number
57	49
<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	5,280,314	1,957,567
Social security costs	287,262	213,211
Pension costs	122,274	46,714
	<u> </u>	<u> </u>
	5,689,850	2,217,492
	<u> </u>	<u> </u>

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	286,096	188,760
Company pension contributions to defined contribution schemes	46,242	1,651
	<u>332,338</u>	<u>190,411</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 2 (2022 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	159,838	113,009
Company pension contributions to defined contribution schemes	1,321	1,321
	<u>161,159</u>	<u>114,330</u>

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	40,497	2,375
Other interest income	58,816	-
Total interest revenue	<u>99,313</u>	<u>2,375</u>
Other income from investments		
Dividends received	61,564	244,672
Gains on financial instruments measured at fair value through profit or loss	10,456	(957,551)
Total income	<u>171,333</u>	<u>(710,504)</u>

	2023 £	2022 £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	40,497	2,375
Interest on financial assets measured at fair value through profit or loss	10,456	(957,551)
Dividends from financial assets measured at fair value through profit or loss	61,564	-
	<u>112,517</u>	<u>(955,176)</u>

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

9 Amounts written off investments

	2023	2022
	£	£
Fair value gains/(losses) on financial instruments		
Gain on financial assets held at fair value through profit or loss	234,595	-
Exchange gain on financial assets held at fair value through profit or loss	15,512	-
	<u>250,107</u>	<u>-</u>
Other gains/(losses)		
Loss on disposal of financial assets held at fair value through profit or loss	(104,679)	-
Amounts written off current loans	(40,631)	-
	<u>104,797</u>	<u>-</u>

10 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	373,525	995,066
	<u>373,525</u>	<u>995,066</u>
Deferred tax		
Origination and reversal of timing differences	(10,200)	15,545
	<u>(10,200)</u>	<u>15,545</u>
Total tax charge	<u>363,325</u>	<u>1,010,611</u>

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	1,922,252	5,488,291
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	480,563	1,042,775
Tax effect of expenses that are not deductible in determining taxable profit	37,888	5,473
Tax effect of income not taxable in determining taxable profit	(54,706)	-
Double tax relief	(6,514)	-
Dividend income	-	(46,488)
Depreciation in excess of capital allowances	2,205	(2,993)
General provisions	670	8
Enhanced research and development expenditure	-	(3,710)
Deferred tax	(10,200)	15,546
Mid year tax charge change	(86,581)	-
Taxation charge for the year	363,325	1,010,611

11 Dividends

	2023 £	2022 £
Interim paid	272,000	2,096,000

12 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2022 and 30 June 2023	514,697
Amortisation and impairment	
At 1 July 2022	278,502
Impairment losses	236,195
At 30 June 2023	514,697
Carrying amount	
At 30 June 2023	-
At 30 June 2022	236,195

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

13 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 July 2022	133,957	149,270	278,911	562,138
Additions	7,000	7,459	25,486	39,945
Disposals	(114,536)	(97,906)	(158,969)	(371,411)
At 30 June 2023	26,421	58,823	145,428	230,672
Depreciation and impairment				
At 1 July 2022	133,657	106,034	228,205	467,896
Depreciation charged in the year	1,701	18,667	38,245	58,613
Eliminated in respect of disposals	(114,536)	(97,906)	(158,969)	(371,411)
At 30 June 2023	20,822	26,795	107,481	155,098
Carrying amount				
At 30 June 2023	5,599	32,028	37,947	75,574
At 30 June 2022	300	43,236	50,706	94,242

14 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	1,080,823	2,547,013
Corporation tax recoverable	292,508	-
Amounts owed by group undertakings	-	900
Other debtors	656,120	521,279
Prepayments and accrued income	191,817	98,272
	2,221,268	3,167,464

15 Current asset investments

	2023	2022
	£	£
Unlisted investments	131,754	9,421,920

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	145,027	165,316
Amounts owed to group undertakings	103	130
Corporation tax	-	315,482
Other taxation and social security	62,491	61,265
Other creditors	2,217,241	749,133
Accruals and deferred income	619,782	731,774
	<u>3,044,644</u>	<u>2,023,100</u>

17 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	<u>14,673</u>	<u>24,873</u>
Movements in the year:		2023 £
Liability at 1 July 2022		24,873
Credit to profit or loss		(10,200)
Liability at 30 June 2023		<u>14,673</u>

18 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>122,274</u>	<u>46,714</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

19 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	90,000	90,000	90,000	90,000
Ordinary B shares of £1 each	6,660	-	6,660	-
	<u>96,660</u>	<u>90,000</u>	<u>96,660</u>	<u>90,000</u>

20 Operating lease commitments

Lessee

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

	2023 £	2022 £
Within one year	<u>156,045</u>	<u>217,304</u>

21 Related party transactions

During the year, the company rented premises on normal commercial terms from BW SIPP Trustees Limited for an amount of £53,700 (2022: £53,694). Mrs J Drummond and Mr S Drummond, Directors, are beneficiaries of the pension scheme.

22 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
Directors Loan Account	-	-	31,039	31,039
		<u>-</u>	<u>31,039</u>	<u>31,039</u>

23 Ultimate controlling party

Drummond Central Trustee Limited is the ultimate controlling party of Drummond Central Limited. The registered address of ultimate controlling party is 70 Jesmond Road West, Newcastle Upon Tyne, Tyne & Wear, United Kingdom, NE2 4PQ

DRUMMOND CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

24 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	1,558,927	4,477,680
Adjustments for:		
Taxation charged	363,325	1,010,611
Finance costs	-	(175)
Investment income	(171,333)	710,504
Amortisation and impairment of intangible assets	236,195	51,470
Depreciation and impairment of tangible fixed assets	58,613	60,502
Other gains and losses	(104,797)	-
Equity settled share based payment expense	2,756,041	5,930
Movements in working capital:		
Decrease/(increase) in debtors	1,269,744	(1,560,065)
Increase in creditors	1,337,026	642,806
Cash generated from operations	7,303,741	5,399,263

25 Analysis of changes in net funds

	1 July 2022 £	Cash flows £	Capital distributions £	30 June 2023 £
Cash at bank and in hand	5,265,574	15,545,537	(16,934,915)	3,876,196

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