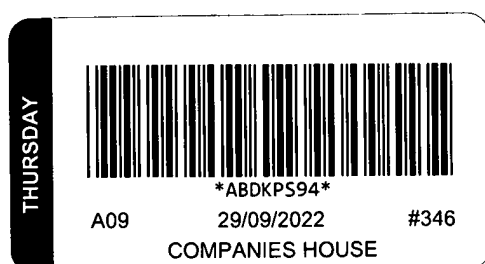


Truth Consulting Limited
Registered number 05844296

Truth Consulting Limited

Annual Report and Financial Statements

for the year ended 31 December 2021



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Truth Consulting Limited
Registered number 05844296

Directors and advisors

Director
T Unacre

Solicitors
Osborne Clarke
1 London Wall
London
EC2Y 5EB

Bankers
HSBC Bank plc
60 Queen Victoria Street
London
EC4N 4TR

Bank of Ireland
2, Burlington Plaza
Burlington Road
Dublin 4

Registered office
First floor
65 Gresham Street
London
EC2V 7NQ

Independent auditors
BDO LLP
55 Baker Street
London
W1U 7EU

Truth Consulting Limited
Registered number 05844296

Strategic report

The director presents his Strategic report for Truth Consulting Limited for the year ended 31 December 2021.

Principal activities

The Company's principal activity is that of a market research agency.

Business review

The results for the year ended 31 December 2021 are set out in the Statement of comprehensive income on page 9.

The Company produced a strong performance in the year with both revenue and profit up on the previous year and several significant new clients gained. Revenue for the 2021 financial year was £6,690,000 (2020 revenue of: £4,638,000) and profit of £1,187,000 (2020: profit of £475,000).

The UK Government's furlough scheme was not utilised by the Company in 2021. In 2020, £48,000 in payments were received by the Company through the UK Government's furlough scheme in order to protect the jobs of staff who were unable to work while the office premises were closed or would have otherwise been made redundant due to the economic uncertainty associated with the COVID-19 pandemic.

Truth Consulting Limited is a member of the Instinctif Partners Group of companies. The Instinctif Partners Group ("the Group") is a business communications consultancy group with offices in London, Frankfurt, Cologne, Munich, Berlin, Brussels, Dublin, Dubai and Johannesburg. The Group is structured in specialist industry sector teams; these are retained year-on-year by a substantial number of UK and overseas corporations and institutions. The Group offers a range of complementary communication services, including financial communications and media relations, public policy, crisis communications, brand positioning, strategic research, internal engagement, design and media training.

A full review of the business and position of the Group at year end can be found within the Annual Report and Financial Statements of Enso 1327 Limited, the group parent company. The Company's operations are largely managed at a Group level and therefore the Directors do not believe that a separate review of the business and year end position would be appropriate to aid the understanding of the users of these financial statements.

Key Performance Indicators

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Statement of operations		
Turnover	6,690	4,638
Operating profit excluding highlighted items	1,231	804
Operating profit	1,231	596

The director considers turnover and operating profit excluding highlighted items, or operating profit (as defined in note 3 to the financial statements) to be the key indicators of the Company's performance.

Principal risks, uncertainties and financial risk management

Interest rate risk

The Company finances its operations through committed bank facilities. The interest rate risk on bank facilities is mitigated through the use of appropriate interest rate swap agreements, which have the effect of fixing the otherwise floating interest rate on bank borrowings.

Currency risk

The company buys currency at spot rate. The company minimises exposure to foreign exchange through the use of matching currency flows where possible.

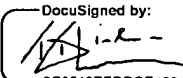
Liquidity risk

The Company's policy is to ensure that it has committed borrowing facilities in place in excess of its forecast requirements. The director believes the Company has sufficient financing facilities in place for the next 12 months.

Credit risk

Credit risk arises on financial instruments such as trade debtors and short term bank deposits. Policies and procedures exist to ensure that clients have an appropriate credit history. Short term bank deposits are only with highly credit rated authorised counterparties.

On behalf of the board

DocuSigned by:

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T Linacre
Director

65 Gresham Street
London
EC2V 7NQ

29-Jul-22

Director's report

The director presents his Director's report and the audited financial statements for the year ended 31 December 2021.

Dividends

The director does not recommend payment of a dividend.

Financial Risk Management

Financial risk management disclosures are included in the Strategic Report on page 4.

Going concern

In adopting the going concern basis for preparing the financial statements, the Director has considered the future trading prospects of the company, the available liquidity, debt maturities and obligations under its borrowing covenants, and the principal risks as set out in the Strategic Report.

The company meets its day-to-day working capital requirements through ongoing operating cash flows, and intercompany balances from fellow group undertakings. There is also access to a revolving credit facility of £2m should it be required.

The Director has modelled different trading scenarios, for 12 months beyond the accounts signing date, to assess the business' ability to continue as a going concern.

The company forecasts and projections, taking account of possible changes in trading performance, show that the company will be able to operate within the level of its current facilities.

The banking covenants have been modelled in both base case and downside scenarios. In the downside scenario, certain mitigating actions will be required to ensure that the company continues to operate within the bank covenants. The company participates in the Group's centralised treasury management and is subject to the banking covenants on the group borrowings.

The base case scenario presumes an improvement in trading performance during 2022 and into 2023 compared to the 2021 outturn, with revenue projected to grow by 30% from 2021 to 2022, and by 8% from 2022 to 2023. The Director anticipates a stronger performance in 2022 and into 2023 on the assumption that there will not be another full COVID-related lockdown. New business wins and revenue in H1 2022 have been strong and although the current economic climate is challenging, we believe the business is well positioned for growth due to its market position and geographic operations. There is little impact on revenue in 2022 as a result of the Russia/Ukraine conflict which we anticipate will be fully mitigated through new customer acquisition.

The downside scenario assumes reductions in revenues of 10% compared with the base case, but this would still deliver revenue growth on prior year. The downside scenario reduces headcount growth to partially offset these revenue shortfalls. Taking the above into account the Director anticipates revenue growth, hence the downside modelled is considered to be at the bottom end of expectations and a conservative scenario.

The Director has considered the effect of this downside scenarios on both cash and the Group bank covenants associated with the £5m bank loan and £2m RCF facility.

Cash

Cash levels are strong due to managing the cash position tightly over 2021 and during the period under review cash balances remain at more than adequate levels to fund planned activities, group cash balances, as at the time of signing this report, stand at some £7m.

Bank Covenants

The downside scenario indicates that there are periods where the headroom against the cashflow covenant would be tight, which would require certain mitigating actions to be taken internally in order to ensure that the Group continues to operate within this covenant. However, given current trading performance, this is considered to be extremely unlikely and only a very remote possibility. Given the current level of cash in the business another option available would be to pay back all or part of the bank debt.

Going concern basis

Based on the scenarios modelled the Director believes that the company is well placed to manage its financing and other business risks satisfactorily and has been able to form a reasonable expectation that the company has adequate resources to continue in operation for at least twelve months from the signing date of these consolidated financial statements.

As the company is in the Group's central treasury agreements and due to the level of intercompany debt due to fellow group entities, the company has obtained a letter of support from its Group parent, Enso 1327 limited, providing support for a period of not less than 12 months from the date of approval of the financial statement.

The Director therefore considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The long-term impact of COVID-19 is uncertain, and the Director acknowledges that, whilst he is comfortable that uncertainties in respect of banking covenants and cash flows referred to above are not material uncertainties which may cast significant doubt about the ability of the company to continue as a going concern, the long term impact of the pandemic on trading conditions could be more prolonged or severe than currently forecast by the Director. If this were to prove to be the case, the company may need to implement additional operational or financial measures to ensure that the company is protected from covenant breaches whilst continuing to pay creditors as they fall due. Other factors considered as part of the going concern review are the current challenging conditions caused by the macro-economic environment, the impact of the war in Ukraine, European political uncertainty, high inflation rates and tightening monetary policy, and a consequential risk of a recession. All these factors are reviewed and discussed on a continuing basis at the Board and there are plans to ensure action is taken to mitigate risk to the company if needed.

Truth Consulting Limited
Registered number 05844296

Director's report (continued)

Director

The director who held office during the year and up to the date of signing these financial statements was as follows:

T Linacre

The Company maintained, throughout the year, and up to the date of this report, director's and officer's liability insurance in respect of itself and its director. The cost of this insurance was borne by another group company.

Future outlook

The business continued to operate in a dynamic, hybrid model throughout the COVID-19 pandemic with no impact on client servicing. We saw increased demand for services from both new and existing clients as we continue to partner them in a changing world. As a result, we were successful in retaining clients, minimising client attrition, and securing new clients.

Cost control remains a priority, however the leadership team has been strengthened throughout the year by both key hires and internal promotions who helped deliver growth throughout the organisation.

The balance sheet has been strengthened as a result of the trading performance and the business is well placed for growth.

Disclosure of information to auditors

The Directors who held office at the date of approval of this report confirms that, so far as they are aware, there is no relevant audit information of which the Group and Company's auditor are unaware. In addition, they confirm that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditor is aware of that information.

Independent auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and BDO LLP will therefore continue in office.

Statement of director's responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

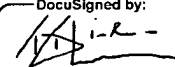
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the board

DocuSigned by:

CE8543EEDDCE428...

T Linacre
Director

65 Gresham Street
London
EC2V 7NQ

29-Jul-22

Truth Consulting Limited
Registered number 05844296

Independent auditors' report to the members of Truth Consulting Limited for the year ended 31 December 2021

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 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Truth Consulting Limited ("the Company") for the year ended 31 December 2020 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity 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 Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The director is responsible for the other information. The other information comprises the information included in the Strategic Report and the Director's Report 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
 - the Strategic report and the Director's 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 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.

Truth Consulting Limited
Registered number 05844296

Independent auditors' report to the members of Truth Consulting Limited for the year ended 31 December 2021 (continued)

Responsibilities of Directors

As explained more fully in the Statement of Director's Responsibilities, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Director determines 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 Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intends to liquidate the Company or to cease operations, or 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:

Our testing included, but was not limited to:

- testing the financial statement disclosures to supporting documentation, performing substantive testing on account balances which were considered to be of greater susceptibility to fraud;
- performing targeted journal entry testing based on identified characteristics the audit team considered could be indicative of fraud, for example credit entries to revenue without a corresponding entry to receivables, accrued income or deferred income; and
- critically assessing areas of the financial statements which include judgement and estimates, as set out in note 3 of the financial statements.

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:

Andrew Viner

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Andrew Viner (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
29 July 2022

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

Truth Consulting Limited
Registered number 05844296

**Statement of comprehensive income
for the year ended 31 December 2021**

		Year ended 31 December 2021	Year ended 31 December 2020
	Note	£'000	£'000
Turnover	4	6,690	4,638
Cost of sales		(2,488)	(1,522)
Gross profit		4,202	3,116
Other income	6	-	48
Administrative expenses excluding highlighted items		(2,971)	(2,360)
Administrative expenses - highlighted items	7	-	(208)
Administrative expenses		(2,971)	(2,568)
Operating profit excluding highlighted items		1,231	804
Operating profit	5	1,231	596
Interest payable and similar expenses		(3)	-
Profit before taxation		1,228	596
Tax on profit	9	(41)	(121)
Profit for the financial year		1,187	475

The Company's results are derived wholly from continuing operations.

Notes on pages 12 to 20 form part of the financial statements.

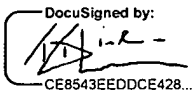
Truth Consulting Limited
Registered number 05844296

Balance sheet
As at 31 December 2021

	Note	At 31 December 2021 £'000	At 31 December 2020 £'000
Fixed assets			
Tangible assets	10	13	4
Current assets			
Debtors	11	5,665	3,800
Cash at bank and in hand		2,369	2,786
		8,034	6,586
Creditors: amounts falling due within one year	12	(9,529)	(9,259)
Net current liabilities		(1,495)	(2,673)
Total assets less current liabilities		(1,482)	(2,669)
Net liabilities		(1,482)	(2,669)
Capital and reserves			
Called up share capital	14	3	3
Share premium account	15	100	100
Capital redemption reserve	15	(2)	(2)
Profit and loss account	15	(1,583)	(2,770)
Total shareholders' deficit		(1,482)	(2,669)

Notes on pages 12 to 20 form part of the financial statements.

These financial statements, on pages 9 to 20, were approved by the board of directors on 29 July 2022 and were signed on its behalf by:

DocuSigned by:

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T Linacre
Director

Truth Consulting Limited
Registered number 05844296

**Statement of changes in equity
for the year ended 31 December 2021**

	Called up share capital £'000	Share Premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total shareholders' deficit £'000
At 1 January 2021	3	100	(2)	(2,770)	(2,669)
Profit for the financial year	-	-	-	1,187	1,187
Total comprehensive income for the year	-	-	-	1,187	1,187
At 31 December 2021	3	100	(2)	(1,583)	(1,482)
At 1 January 2020	3	100	(2)	(3,245)	(3,144)
Profit for the financial year	-	-	-	475	475
Total comprehensive loss for the year	-	-	-	475	475
At 31 December 2020	3	100	(2)	(2,770)	(2,669)

Notes on pages 12 to 20 form part of the financial statements.

Notes to the financial statements for the year ended 31 December 2021

1 General Information

Truth Consulting Limited (the "Company") is a private company, limited by shares incorporated in the United Kingdom and registered in England & Wales. The Company operates as a market research agency. The address of its registered office is First floor, 65 Gresham Street, London EC2V 7NQ.

2 Statement of Compliance

These financial statements were prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Companies Act 2006. The functional and presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

3 Summary of significant accounting policies

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit and loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed later in this note.

Going concern

In adopting the going concern basis for preparing the financial statements, the Director has considered the future trading prospects of the company, the available liquidity, debt maturities and obligations under its borrowing covenants, and the principal risks as set out in the Strategic Report.

The company meets its day-to-day working capital requirements through ongoing operating cash flows, and intercompany balances from fellow group undertakings. There is also access to a revolving credit facility of £2m should it be required.

The Director has modelled different trading scenarios, for 12 months beyond the accounts signing date, to assess the business' ability to continue as a going concern.

The company forecasts and projections, taking account of possible changes in trading performance, show that the company will be able to operate within the level of its current facilities.

The banking covenants have been modelled in both base case and downside scenarios. In the downside scenario, certain mitigating actions will be required to ensure that the company continues to operate within the bank covenants. The company participates in the Group's centralised treasury management and is subject to the banking covenants on the group borrowings.

The base case scenario presumes an improvement in trading performance during 2022 and into 2023 compared to the 2021 outturn, with revenue projected to grow by 30% from 2021 to 2022, and by 8% from 2022 to 2023. The Director anticipates a stronger performance in 2022 and into 2023 on the assumption that there will not be another full COVID-related lockdown. New business wins and revenue in H1 2022 have been strong and although the current economic climate is challenging, we believe the business is well positioned for growth due to its market position and geographic operations. There is little impact on revenue in 2022 as a result of the Russia/Ukraine conflict which we anticipate will be fully mitigated through new customer acquisition.

The downside scenario assumes reductions in revenues of 10% compared with the base case, but this would still deliver revenue growth on prior year. The downside scenario reduces headcount growth to partially offset these revenue shortfalls. Taking the above into account the Director anticipates revenue growth, hence the downside modelled is considered to be at the bottom end of expectations and a conservative scenario.

The Director has considered the effect of this downside scenarios on both cash and the Group bank covenants associated with the £5m bank loan and £2m RCF facility.

Cash

Cash levels are strong due to managing the cash position tightly over 2021 and during the period under review cash balances remain at more than adequate levels to fund planned activities, group cash balances, as at the time of signing this report, stand at some £7m.

Bank Covenants

The downside scenario indicates that there are periods where the headroom against the cashflow covenant would be tight, which would require certain mitigating actions to be taken internally in order to ensure that the Group continues to operate within this covenant. However, given current trading performance, this is considered to be extremely unlikely and only a very remote possibility. Given the current level of cash in the business another option available would be to pay back all or part the bank debt.

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

Going Concern (continued)

Going concern basis

Based on the scenarios modelled the Director believes that the company is well placed to manage its financing and other business risks satisfactorily and has been able to form a reasonable expectation that the company has adequate resources to continue in operation for at least twelve months from the signing date of these consolidated financial statements.

As the company is in the Group's central treasury agreements and due to the level of intercompany debt due to fellow group entities, the company has obtained a letter of support from its Group parent, Ensco 1327 limited, providing support for a period of not less than 12 months from the date of approval of the financial statement.

The Director therefore considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The long-term impact of COVID-19 is uncertain, and the Director acknowledges that, whilst he is comfortable that uncertainties in respect of banking covenants and cash flows referred to above are not material uncertainties which may cast significant doubt about the ability of the company to continue as a going concern, the long term impact of the pandemic on trading conditions could be more prolonged or severe than currently forecast by the Director. If this were to prove to be the case, the company may need to implement additional operational or financial measures to ensure that the company is protected from covenant breaches whilst continuing to pay creditors as they fall due. Other factors considered as part of the going concern review are the current challenging conditions caused by the macro-economic environment, the impact of the war in Ukraine, European political uncertainty, high inflation rates and tightening monetary policy, and a consequential risk of a recession. All these factors are reviewed and discussed on a continuing basis at the Board and there are plans to ensure action is taken to mitigate risk to the company if needed.

Exemptions for qualifying entities under FRS102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Truth Consulting Limited is a qualifying entity as its results are consolidated into the financial statements of Ensco 1327 Limited which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i. from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102; the Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its group parent company, Ensco 1327 Limited, includes the Company's cash flows in its own consolidated financial statements;
- ii. from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102; and
- iii. from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency using the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency using the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes to the financial statements for the year ended (continued)

3 Summary of significant accounting policies (continued)

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Short Leasehold Property	over the lease terms
Fixtures and fittings	20% per annum
Office and computer equipment	25% or 33% per annum

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Highlighted items

Where the Directors consider that particular items of income or expenditure are material in terms of their size or nature, these items are separately identified in the Statement of comprehensive income. Such items comprise those items which are not related to the Company's underlying trading activities and include deferred consideration on acquisitions, redundancy and restructuring costs, the costs of moving to new offices, aborted acquisition costs, senior recruitment costs and the costs associated with the ownership structure of the Company.

Cash at bank and in hand

Cash at bank and in hand comprises cash balance and call deposits.

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset and can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the reversal of the impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. Where appropriate conditions are noted, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Defined contribution plans and other long term employee benefits

The Company operates a defined contribution pension scheme. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates, branch, joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Government grants

Grants through the UK Government's furlough scheme are presented as other income and are not presented net against the related staff cost expense.

Turnover

Turnover derived from retainers is recognised evenly on a monthly basis over the lifetime of the retainer contract. Turnover for time-charge based work is recognised when the service is performed in accordance with the contract. For fixed fee projects, turnover is only recognised once the final outcome can be assessed with reasonable certainty, and the stage of completion is determined relative to the total number of hours expected to complete the work or provision of services.

Turnover represents the total invoice value, net of value added tax, for the rendering of services and goods supplied by the group and comprises charges for fees, commissions and rechargeable expenses incurred on behalf of clients. Gross profit is turnover less amounts payable on behalf of clients to external suppliers where they are retained to perform part of a specific client project or service, and represents fees, commissions and mark-ups on rechargeable expenses.

Turnover and gross profit reflect the fair value of the proportion of the work carried out in the year by recording turnover and related costs as service activity progresses.

Where turnover is recognised for a given period on the basis of time spent and services given but has not yet been invoiced to the customer, this is recorded as accrued income.

Where amounts have been invoiced to customers prior to the year end but will be recognised in future periods (on the basis of when time will be spent and services given), this is recorded as deferred income.

Critical accounting estimates and judgements

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and costs. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

In determining the amount of revenue to be recognised in respect of project work ongoing at year end, the factors taken into account in assessing the percentage of completion of a project include hours worked versus budget, project phases, milestones completed or deliverables issued to the client.

Recoverability of receivables from fellow Group companies

The carrying amounts of the Company's balances receivable from fellow Group companies are reviewed at each reporting date to determine whether there are any recoverability issues. If any such issues exist, then the recoverable amount is estimated and the balance may be provided for.

Recoverability of receivables from trade debtors

The carrying amounts of the Company's balances receivable from fellow trade debtors are reviewed at each reporting date to determine whether there are any recoverability issues. If any such issues exist, then the recoverable amount is estimated and the balance may be provided for.

4 Turnover

Turnover by geographical market is set out below. The principal activity is for marketing research services, and all turnover is derived from the principal activity.

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
United Kingdom	4,130	2,742
Europe	2,296	1,468
Rest of world	264	428
Total turnover	6,690	4,638

Turnover is allocated based on the location of the client.

Notes to the financial statements for the year ended 31 December 2021 (continued)

5 Operating profit

Operating profit on ordinary activities is stated after charging:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Depreciation of tangible fixed assets	3	6

Audit fees of £24,050 (2020: £22,575) and tax compliance fees of £5,175 (2020: £4,000) were borne by another group company.

6 Other income

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Other income	-	48

Other income relates to receipts from the UK Government's furlough scheme in 2020.

7 Administrative Expenses - Highlighted items

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Staff termination and restructuring costs	-	208
	-	208

Highlighted items have been separately identified because of their nature and because they are non-recurring. In the opinion of the Director, these costs are useful to be separately identified, to enable a full understanding of the Company's underlying financial performance.

Staff termination costs relate to restructuring of particular areas of the Company's operations.

8 Staff costs

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Wages and salaries	1,863	1,346
Social security costs	185	144
Other pension costs	69	47
	2,117	1,537

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Year ended 31 December 2021 Number	Year ended 31 December 2020 Number
Directors	1	1
Marketing services	31	27
	32	28

The director is remunerated through Instinctif Partners Limited, a fellow subsidiary undertaking.

The number of directors to whom retirement benefits are accruing at 31 December 2021 under money purchase schemes amounted to 1 (2020: 1).

Notes to the financial statements for the year ended 31 December 2021 (continued)

9 Tax on profit/(loss)

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Tax expense included in profit or loss		
<i>Current tax</i>		
Current tax on profit/(loss) for the year	-	-
Adjustment in respect of prior years	-	-
Total current tax charge	-	-
<i>Deferred tax (see note 13)</i>		
Origination and reversal of timing differences	101	38
Effect of rate change	(60)	-
Adjustments in respect of previous years	-	83
Total deferred tax credit	41	121
Tax on profit	41	121

Reconciliation of tax charge

Tax assessed for the year is lower (2020: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Profit before taxation	1,228	596
Profit multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	234	113
Effects of:		
movement in deferred tax not previously recognised	(100)	-
Remeasurement of deferred tax for changes in tax rates	(36)	-
Adjustments in respect of previous years	-	83
Group relief claimed	(56)	(75)
Total tax credit for the year	41	121

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate to from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

10 Tangible assets

	Fixtures and fittings £'000	Short leasehold property £'000	Office and computer equipment £'000	Total £'000
At 1 January 2021				
Cost	93	275	214	582
Accumulated depreciation	(93)	(275)	(210)	(578)
Net book value	-	-	4	4
Year ended 31 December 2021				
Opening net book value	-	-	4	4
Additions	-	-	12	12
Depreciation	-	-	(3)	(3)
At 31 December 2021	-	-	13	13
At 31 December 2021				
Cost	93	275	226	594
Accumulated depreciation	(93)	(275)	(213)	(581)
Net book value	-	-	13	13

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Debtors

	At 31 December 2021 £'000	At 31 December 2020 £'000
<i>Amounts falling due within one year:</i>		
Trade debtors	2,746	1,353
Amounts owed by group undertakings	2,246	2,147
Deferred tax	151	192
Prepayments and accrued income	522	108
	5,665	3,800

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

12 Creditors: amounts falling due within one year

	At 31 December 2021 £'000	At 31 December 2020 £'000
Trade creditors	295	175
Amounts owed to group undertakings	6,547	7,545
Taxation and social security	259	230
Other creditors	12	10
Accruals and deferred income	2,416	1,299
	9,529	9,259

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

13 Deferred tax

	2021 £'000	2020 £'000
At 1 January	192	313
Charged to profit and loss account (note 9)	(41)	(121)
At 31 December	151	192

Deferred tax assets have been valued at the substantively enacted rate of 25%(2020 - 19%).

The deferred tax balance comprises:

	2021 £'000	2020 £'000
Capital allowances	52	16
Trade losses	99	176
	151	192

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Called up share capital

Allotted, called up and fully paid

	At 31 December 2021 £'000	At 31 December 2020 £'000
33,625 (2020: 33,625) Ordinary shares of 10p each	3	3

The ordinary shares all carry equal voting and dividend rights.

15 Reserves

Reserves of the Company represent the following:

Share premium

Share premium includes the premium on issue of equity shares, net of any issue costs.

Capital redemption

Capital redemption includes the nominal value of own shares that have been acquired by the Company and cancelled.

Profit and loss

Profit and loss account represents cumulative profits or losses. Other transactions with shareholders relate to the waiver of intercompany balances from dormant Group subsidiaries.

16 Contingent liabilities

The ultimate parent company, Ensco 1327 Limited, is party to a term loan and revolving credit facility agreement provided by HSBC Bank plc ('HSBC') and The Governor and Company of the Bank of Ireland.

The Company is part of a composite guarantee arrangement, whereby the Company has provided guarantees over all balances outstanding to HSBC and Bank of Ireland under both the rolling credit facility and the term loan.

As part of the banking agreement, HSBC issued a £939k guarantee on behalf of Instinctif Partners Holdings Limited, a subsidiary company, in favour of JPMorgan Chase Bank, National Association.

As at 31 December 2021 amounts owed on the revolving credit facility and term loan were £nil and £5,250,000, respectively.

17 Pension scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge in note 8 represents contributions payable by the Company to the fund. Contributions amounting to £14,000 (2020: £10,000) were included in creditors at the year end.

18 Related party disclosures

As the Company is a wholly owned subsidiary of Ensco 1327 Limited, the Company has taken advantage of the exemption contained in FRS 102 section 33.1A and has therefore not disclosed transactions or balances with entities which are wholly owned subsidiaries of the group. There are no other related party transactions.

The Company considers key management personnel to be the Company's director and details of their compensation are shown in note 8.

19 Group parent undertaking and controlling party

The immediate parent company is Instinctif Partners Intermediate Holdings Limited, a company registered in England & Wales.

The group parent company, and the smallest and largest group to consolidate these financial statements, is Ensco 1327 Limited, a company registered in England and Wales. Ensco 1327 Limited prepares group financial statements and copies can be obtained from 65 Gresham Street, London EC2V 7NQ.

The ultimate parent company is Lloyds Banking Group plc, whose registered office is at The Mound, Edinburgh, EH1 1YZ.