

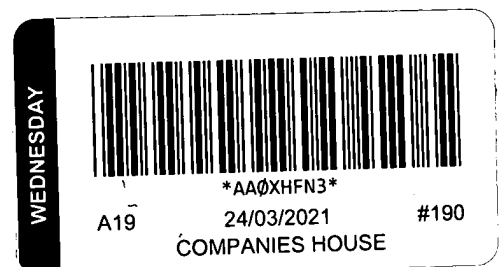
Amended

Company registration number: 08235569

Social Communications Group Limited

Unaudited financial statements

31 October 2020



Social Communications Group Limited

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Social Communications Group Limited

Directors and other information

Directors	John Paul Quinton-Barber Peter Samuel Wrathmell David Cowans Rob Luke Christopher Robin Leslie Phillips Catherine Cross (Appointed 1 November 2020)
Company number	08235569
Registered office	7 Christie Way Christie Fields Manchester M21 7QY
Accountants	Leonherman Key House 7 Christie Way Christie Fields Manchester M21 7QY

Social Communications Group Limited

**Directors report
Year ended 31 October 2020**

The directors present their report and the unaudited financial statements of the company for the year ended 31 October 2020.

Directors

The directors who served the company during the year were as follows:

John Paul Quinton-Barber
Peter Samuel Wrathmell
David Cowans
Rob Luke
Christopher Robin Leslie Phillips.

Principal activities

The principal activity of the company during the year under review was that of a public relations and communications consultancy.

Social Communications Group Limited

Directors report (continued) Year ended 31 October 2020

Review of Business

The year to 31 October 2020 saw the business deliver a solid financial performance despite the unique challenges of the COVID-19 pandemic.

Turnover grew over 9% in comparison to the year to 31 October 2019. Profitability fell slightly, to 5% pre-tax, but this nonetheless constituted a positive outcome given the tangible impact of the pandemic on income during Q3 in particular and given the wider risk and uncertainty posed by this period.

The company recognises with gratitude the Government support of £62,386 received during the period. This contributed directly to the safeguarding of jobs and the ongoing financial resilience and future contribution of the business to the UK economy.

The company also recognises with gratitude and pride the support and understanding of the whole Social team whose commitment, sacrifice and resilience helped safeguard and strengthen the business in the face of the significant challenges and uncertainty arising from lockdown, working from home and the impact of COVID-19 on our clients and suppliers.

Consistent with our growth ambitions, and among other things mindful of the support received, no dividends were paid during the period. All earnings were retained within the business to support investment in the planned establishment of new business units and the creation of new jobs. Indeed the total number of staff employed rose by 4 over the period, from 38 to 42.

Other points of note are:

- The amendment of the Articles of Association of the company in October 2020 to adopt new objects: to promote the success of the company for the benefit of its members as a whole and, through its business and operations, to have a material positive impact on society and the environment, taken as a whole. This reflects the formalisation of Social as a purpose-driven organisation committed to profit, people and planet and is a key step towards our aspiration of accreditation as a certified B Corporation, which we aim to achieve in 2021. Consistent with the amendment, the company is preparing a separate impact report for this period setting out how it has advanced those objects as it relates to a material positive impact on society and the environment, which it will share with its members and make public via its website.
- The creation in September 2020 of a new London-based ESG (environmental, social and governance) communications division.
- The agreement of an ambitious three-year plan for the period from November 2020 - October 2023 which aims for continued strong turnover and profit growth driven by: the continued organic growth of our existing operations in Bristol, Leeds, London and Manchester; the launch of new business units including a Net Zero communications division, a Liverpool City Region/Lancashire/Cumbria operation and further geographical or thematic business units; and the extension of new services to clients, including in the web/digital field.

Small company provisions

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

Social Communications Group Limited

Directors report (continued)
Year ended 31 October 2020

This report was approved by the board of directors on 10 February 2021 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'JPQB', with a long horizontal flourish extending to the right.

John Paul Quinton-Barber
Director

Social Communications Group Limited

**Chartered accountants report to the board of directors on the preparation of the
unaudited statutory financial statements
Year ended 31 October 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Social Communications Group Limited for the year ended 31 October 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of Social Communications Group Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Social Communications Group Limited and state those matters that we have agreed to state to the board of directors of Social Communications Group Limited as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Social Communications Group Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that Social Communications Group Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Social Communications Group Limited. You consider that Social Communications Group Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Social Communications Group Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Leonherman
Chartered Accountants

Key House
7 Christie Way
Christie Fields
Manchester
M21 7QY

10 February 2021

Social Communications Group Limited

**Statement of comprehensive income
Year ended 31 October 2020**

	Note	2020 £	2019 £
Turnover		2,592,087	2,370,023
Cost of sales		(489,268)	(286,263)
Gross profit		<u>2,102,819</u>	<u>2,083,760</u>
Administrative expenses		(2,022,998)	(1,887,473)
Other operating income		62,386	-
Operating profit		<u>142,207</u>	<u>196,287</u>
Other interest receivable and similar income		1,391	49
Interest payable and similar expenses		(14,443)	(20,024)
Profit before taxation	5	129,155	176,312
Tax on profit		(27,174)	(23,353)
Profit for the financial year and total comprehensive income		<u><u>101,981</u></u>	<u><u>152,959</u></u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

Social Communications Group Limited

**Statement of financial position
31 October 2020**

	Note	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	6	13,837		15,375	
Tangible assets	7	40,492		29,272	
Investments	8	400		400	
			54,729		45,047
Current assets					
Debtors	9	493,651		449,414	
Cash at bank and in hand		715,229		203,444	
		1,208,880		652,858	
Creditors: amounts falling due within one year	10	(547,668)		(381,625)	
Net current assets			661,212		271,233
Total assets less current liabilities			715,941		316,280
Creditors: amounts falling due after more than one year	11		(128,346)		(133,383)
Provisions for liabilities			(7,693)		(4,976)
Net assets			579,902		177,921
Capital and reserves					
Called up share capital			1,343		1,200
Share premium account			369,757		69,900
Profit and loss account			208,802		106,821
Shareholders funds			579,902		177,921

For the year ending 31 October 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

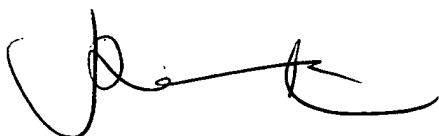
The notes on pages 10 to 15 form part of these financial statements.

Social Communications Group Limited

Statement of financial position (continued)
31 October 2020

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 10 February 2021, and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'John Paul Quinton-Barber', with a stylized flourish at the end.

John Paul Quinton-Barber
Director

Company registration number: 08235569

The notes on pages 10 to 15 form part of these financial statements.

Social Communications Group Limited

**Statement of changes in equity
Year ended 31 October 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 November 2018	1,200	69,900	(46,138)	24,962
Profit for the year			152,959	152,959
Total comprehensive income for the year	-	-	152,959	152,959
At 31 October 2019 and 1 November 2019	1,200	69,900	106,821	177,921
Profit for the year			101,981	101,981
Total comprehensive income for the year	-	-	101,981	101,981
Issue of shares	143	299,857		300,000
Total investments by and distributions to owners	143	299,857	-	300,000
At 31 October 2020	1,343	369,757	208,802	579,902

Social Communications Group Limited

Notes to the financial statements Year ended 31 October 2020

1. General information

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is 7 Christie Way, Christie Fields, Manchester, M21 7QY.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from services is recognised when the service has been completed and approved.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Social Communications Group Limited

Notes to the financial statements (continued) **Year ended 31 October 2020**

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Intangible assets - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fittings fixtures and equipment - 20% reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Social Communications Group Limited

Notes to the financial statements (continued)

Year ended 31 October 2020

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

Social Communications Group Limited

Notes to the financial statements (continued)
Year ended 31 October 2020

4. Employee numbers

The average number of persons employed by the company during the year amounted to 40 (2019: 37).

5. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2020	2019
	£	£
Amortisation of intangible assets	1,538	-
Depreciation of tangible assets	<u>7,408</u>	<u>5,216</u>

6. Intangible assets

	Other intangible assets £	Total £
Cost		
At 1 November 2019 and 31 October 2020	<u>15,375</u>	<u>15,375</u>
Amortisation		
At 1 November 2019	-	-
Charge for the year	<u>1,538</u>	<u>1,538</u>
At 31 October 2020	<u>1,538</u>	<u>1,538</u>
Carrying amount		
At 31 October 2020	<u>13,837</u>	<u>13,837</u>
At 31 October 2019	<u>15,375</u>	<u>15,375</u>

Social Communications Group Limited

Notes to the financial statements (continued)
Year ended 31 October 2020

7. Tangible assets

	Plant and machinery	Total
	£	£
Cost		
At 1 November 2019	42,274	42,274
Additions	22,963	22,963
Disposals	(8,521)	(8,521)
At 31 October 2020	<u>56,716</u>	<u>56,716</u>
Depreciation		
At 1 November 2019	13,002	13,002
Charge for the year	7,408	7,408
Disposals	(4,186)	(4,186)
At 31 October 2020	<u>16,224</u>	<u>16,224</u>
Carrying amount		
At 31 October 2020	<u>40,492</u>	<u>40,492</u>
At 31 October 2019	<u>29,272</u>	<u>29,272</u>

8. Investments

	Shares in group undertakings and participating interests	Total
	£	£
Cost		
At 1 November 2019 and 31 October 2020	<u>400</u>	<u>400</u>
Impairment		
At 1 November 2019 and 31 October 2020	<u>-</u>	<u>-</u>
Carrying amount		
At 31 October 2020	<u>400</u>	<u>400</u>
At 31 October 2019	<u>400</u>	<u>400</u>

Social Communications Group Limited

Notes to the financial statements (continued)
Year ended 31 October 2020

9. Debtors

	2020	2019
	£	£
Trade debtors	465,691	405,274
Other debtors	27,960	44,140
	<u>493,651</u>	<u>449,414</u>

10. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	51,606	48,175
Trade creditors	90,536	55,957
Corporation tax	24,457	18,377
Social security and other taxes	261,827	149,779
Other creditors	119,242	109,337
	<u>547,668</u>	<u>381,625</u>

A bank loan is secured by a fixed & floating over the assets of the company

11. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	<u>128,346</u>	<u>133,383</u>

A bank loan is secured by a fixed & floating over the assets of the company

12. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	47,493	41,260
Later than 1 year and not later than 5 years	6,361	12,256
	<u>53,854</u>	<u>53,516</u>