
Social Communications Group Limited

Unaudited

Directors' Report and Financial Statements

For the Year Ended 31 October 2022

Social Communications Group Limited

Company Information

Directors

J P Quinton-Barber
C Cross (resigned 28 February 2022)
R H V Luke (resigned 19 May 2023)
C R L Phillips
D Cowans
P S Wrathmell

Registered number 08235569

Registered office

Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD

Accountants

Hurst Accountants Limited
Chartered Accountants
Lancashire Gate
21 Tiviot Dale
Stockport
SK1 1TD

Social Communications Group Limited

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**Directors' Report
For the Year Ended 31 October 2022**

The directors present their report and the financial statements for the year ended 31 October 2022.

Principal activity

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

Business review

The year to 31 October 2022 financial year can overall be judged as successful.

The ongoing effects of the Covid 19 pandemic were absorbed and the company turnover held constant year on year while successfully increasing gross profit margins. We achieved this in conjunction with increased overheads, as we proactively developed and invested in new income streams for the year 2023.

The company took a strong view of maintaining liquidity with net current assets which remained constant year on year, and which confirm the strength and stability of the company's operations, together coupled with strong cash balances.

The company continues to look at not only commercial opportunities, but also fiscal and structural opportunities, to strengthen our operating base, which is driven towards efficiency and profitability. Such efforts coincide with undoubted inflationary pressures that exist within the economy. Within this financial year, we accepted an offer for our Bristol division which is included in these accounts.

We are proud to announce that in May, PR Week recognised the company as one of the best B2B agencies in the UK and the 20th best agency outside of the UK. The company was also announced as one of the leading ESG practices in the UK.

The company also reflects with appreciation on the resilience and flexibility of the whole Social team who have worked tirelessly not only to safeguard the business in the face of the inflationary pressures that exist within the economy, but to also help it to continue to grow. Their dedication and commitment have been vital to our overall success.

The company is equally proud that the commercial performance goes hand in hand with further important achievements aimed at delivering positive social and environmental impact in line with the company's objects as updated in October 2020: 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.

The detail of our continued significant progress in these regards is set out in our third annual Impact Report to be published in parallel to this report and accessible via the company website.

We were delighted to receive B Corp accreditation in September 2022 which further reinforces our focus and commitment to have a material positive impact on society and the environment.

We also secured Great Place to Work certification in November 2021 and were ranked 16th in its list of Best UK Workplaces 2022 in the small business category (April 2022). In July 2022 we were placed 20th in its list of best UK Workplaces for Women (small business category).

Finally, the company remains strongly committed to its ambitious three-year plan for the period from November 2020 – October 2023. This foresees continued strong organic growth and sets out a determination to deliver growth through acquisition and the realisation of a vision of a purpose-driven communications group made up of an integrated family of specialist communications consultancies.

Social Communications Group Limited

Directors' Report (continued)
For the Year Ended 31 October 2022

Directors

The directors who served during the year were:

J P Quinton-Barber
C Cross (resigned 28 February 2022)
R H V Luke (resigned 19 May 2023)
C R L Phillips
D Cowans
P S Wrathmell

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
J P Quinton-Barber

Director

Date: 20 June 2023

Social Communications Group Limited

**Statement of Comprehensive Income
For the Year Ended 31 October 2022**

Note	Continuing operations 2022 £	Discontin'd operations 2022 £	Total 2022 £	Continuing operations 2021 £	Discontinued operations 2021 £	Total 2021 £
Turnover	3,079,461	259,664	3,339,125	2,940,827	502,330	3,443,157
Cost of sales	(469,225)	(36,915)	(506,140)	(713,287)	(41,305)	(754,592)
Gross profit	2,610,236	222,749	2,832,985	2,227,540	461,025	2,688,565
Administrative expenses	(2,609,755)	(252,228)	(2,861,983)	(2,061,973)	(446,234)	(2,508,207)
Other operating charges	-	-	-	2,989	-	2,989
Operating (loss)/profit	481	(29,479)	(28,998)	168,556	14,791	183,347
Interest receivable and similar income	588	-	588	304	-	304
Interest payable and similar expenses	(1,042)	-	(1,042)	(8,202)	-	(8,202)
(Loss)/profit before tax	27	(29,479)	(29,452)	160,658	14,791	175,449
Tax on (loss)/profit	1,948	-	1,948	(34,388)	-	(34,388)
(Loss)/profit for the financial year	1,975	(29,479)	(27,504)	126,270	14,791	141,061
Other comprehensive income for the year						
Total comprehensive income for the year			(27,504)			141,061

The notes on pages 7 to 14 form part of these financial statements.

Social Communications Group Limited
Registered number: 08235569

Balance Sheet
As at 31 October 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	10,762	12,300
Tangible assets	5	61,198	54,433
Investments	6	400	400
		<u>72,360</u>	<u>67,133</u>
Current assets			
Debtors: amounts falling due within one year	7	644,582	538,925
Cash at bank and in hand	8	374,229	702,640
		<u>1,018,811</u>	<u>1,241,565</u>
Creditors: amounts falling due within one year	9	(359,048)	(542,358)
Net current assets		<u>659,763</u>	<u>699,207</u>
Total assets less current liabilities		<u>732,123</u>	<u>766,340</u>
Creditors: amounts falling due after more than one year	10	(26,612)	(36,462)
Provisions for liabilities			
Deferred tax		(11,995)	(8,843)
Net assets		<u><u>693,516</u></u>	<u><u>721,035</u></u>
Capital and reserves			
Called up share capital		1,400	1,415
Share premium account		369,757	369,757
Profit and loss account		322,359	349,863
		<u><u>693,516</u></u>	<u><u>721,035</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

Social Communications Group Limited
Registered number: 08235569

Balance Sheet (continued)
As at 31 October 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
J P Quinton-Barber
Director

Date: 20 June 2023

The notes on pages 7 to 14 form part of these financial statements.

Social Communications Group Limited

**Statement of Changes in Equity
For the Year Ended 31 October 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 November 2020	1,343	369,757	208,802	579,902
Comprehensive income for the year				
Profit for the year	-	-	141,061	141,061
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	141,061	141,061
Contributions by and distributions to owners				
Shares issued during the year	72	-	-	72
Total transactions with owners	72	-	-	72
At 1 November 2021	1,415	369,757	349,863	721,035
Comprehensive income for the year				
Loss for the year	-	-	(27,504)	(27,504)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(27,504)	(27,504)
Contributions by and distributions to owners				
Shares cancelled during the year	(15)	-	-	(15)
Total transactions with owners	(15)	-	-	(15)
At 31 October 2022	1,400	369,757	322,359	693,516

The notes on pages 7 to 14 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 October 2022

1. General information

Social Communications Group Limited is a private company, limited by shares and incorporated in England & Wales. The address of the registered office is Lancashire Gate, 21 Tiviot Dale, Stockport, SK1 1TD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Notes to the Financial Statements
For the Year Ended 31 October 2022

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Intangible Assets	-	10 % straight line
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Notes to the Financial Statements
For the Year Ended 31 October 2022

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment	-	20%	reducing balance
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements
For the Year Ended 31 October 2022

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

3. Employees

The average monthly number of employees, including directors, during the year was 52 (2021 - 49).

4. Intangible assets

	Other intangible assets £
Cost	
At 1 November 2021	15,375
At 31 October 2022	<u>15,375</u>
Amortisation	
At 1 November 2021	3,075
Charge for the year	1,538
At 31 October 2022	<u>4,613</u>
Net book value	
At 31 October 2022	<u><u>10,762</u></u>
<i>At 31 October 2021</i>	<u><u>12,300</u></u>

Social Communications Group Limited

Notes to the Financial Statements
For the Year Ended 31 October 2022

5. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 November 2021	4,911	76,052	80,963
Additions	5,794	21,694	27,488
Disposals	(663)	(6,339)	(7,002)
At 31 October 2022	<u>10,042</u>	<u>91,407</u>	<u>101,449</u>
Depreciation			
At 1 November 2021	3,125	23,405	26,530
Charge for the year	1,110	13,886	14,996
Disposals	(60)	(1,215)	(1,275)
At 31 October 2022	<u>4,175</u>	<u>36,076</u>	<u>40,251</u>
Net book value			
At 31 October 2022	<u>5,867</u>	<u>55,331</u>	<u>61,198</u>
At 31 October 2021	<u>1,786</u>	<u>52,647</u>	<u>54,433</u>

6. Fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 November 2021	<u>400</u>
At 31 October 2022	<u>400</u>

Social Communications Group Limited

Notes to the Financial Statements
For the Year Ended 31 October 2022

7. Debtors

	2022	2021
	£	£
Trade debtors	470,035	478,991
Other debtors	87,830	9,314
Prepayments and accrued income	86,717	50,620
	<u>644,582</u>	<u>538,925</u>

8. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>374,229</u>	<u>702,640</u>

9. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	9,849	9,606
Trade creditors	46,322	76,788
Corporation tax	-	33,238
Other taxation and social security	165,202	171,834
Other creditors	16,611	21,790
Accruals and deferred income	121,064	229,102
	<u>359,048</u>	<u>542,358</u>

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

10. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	<u>26,612</u>	<u>36,462</u>

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

Social Communications Group Limited

Notes to the Financial Statements
For the Year Ended 31 October 2022

11. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	9,849	9,606
Amounts falling due 1-2 years		
Bank loans	26,612	36,462
	<u>36,461</u>	<u>46,068</u>

12. Deferred taxation

	2022 £	2021 £
At beginning of year	(8,843)	(7,693)
Charged to profit or loss	(3,152)	(1,150)
At end of year	<u>(11,995)</u>	<u>(8,843)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	15,300	10,342
Other timing differences	(3,305)	(1,499)
	<u>(11,995)</u>	<u>(8,843)</u>

Social Communications Group Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2022**

13. Discontinued operations

On 31 May 2022 operations of Social Communications (Bristol) Limited were discontinued, all attributable turnover and costs have been allocated directly to this activity. The bases of allocation are consistent with the way in which such underlying costs have been allocated within internal accounting purposes.

	£
Cash proceeds	120,000
Net assets disposed of:	
Tangible fixed assets	(7,002)
	<u>7,002</u>
Profit on disposal before tax	<u><u>(112,998)</u></u>

The net inflow of cash in respect of the sale of Social Communications (Bristol) Limited is as follows:

	£
Cash consideration	120,000
Net inflow of cash	<u><u>120,000</u></u>

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £61,640 (2021: £41,830). Contributions totalling £7,917 (2021: £7,891) were payable to the fund at the balance sheet date.

15. Commitments under operating leases

At 31 October 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	94,922	28,737
Later than 1 year and not later than 5 years	84,734	3,858
	<u><u>179,656</u></u>	<u><u>32,595</u></u>

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.