

Registered number: 12319416

BSQ GROUP LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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BSQ GROUP LTD

COMPANY INFORMATION

Directors	G C Donnelly N J Campion (appointed 9 August 2023) J C Carpenter (appointed 9 August 2023) B Marsay-Smith (appointed 12 September 2023)
Company secretary	N J Campion
Registered number	12319416
Registered office	71-75 Shelton Street Covent Garden London WC2H 9JQ
Independent auditors	BKL Audit LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

BSQ GROUP LTD

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BSQ GROUP LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The principal activity of the company is that of a holding company supporting the activities of both established and newly formed subsidiaries, associated companies and other investments.

Business review

The financial year to 30 June 2023 was strong for BSQ Group Ltd and its subsidiary companies. Development of its services and brands continued organically with positive results as listed below under "Financial Key Performance Indicators". The Group extended its range of service packages offered to its client base and increased its market share resulting in continued growth. This resulted in the Group increasing its net asset base, as well as allowing for agreement of a significant long-term lease of its premises and substantial capital investment into the improvements of these premises.

On a subsidiary level, the year was business as usual with increased scale for the formations companies. There were no material changes to the operations of the Group during the year.

Principal risks and uncertainties

There are no risks or uncertainties known to the Group that would be considered material. The Group has continued to expand its operations post year end, and this is expected to continue for the foreseeable future.

Financial key performance indicators

The Group's key aim is to drive increases in sales volumes and as such the primary Key Performance Indicator is revenue growth as well as ensuring profit margins remain healthy. Whilst net profit margin was down slightly in the financial year, this was the result of significant spend with a medium-to- long-term mindset, increasing the staff base across business development, operations, and sales support, as well as the development of software to improve internal process. The Directors of the Group are also aware that as it scales, net assets needs to increase to ensure that inherent risk is not increasing as its fixed costs grow. Key Performance Indicators are listed below alongside the comparative figure:

	2023 (£m)	2022 (£m)	Change %
Revenue	10.63	8.64	23
Profit before tax	1.20	1.33	10
Net assets	2.12	1.39	53

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

Graeme Donnelly

G C Donnelly
Director

Date: 28/03/2024

BSQ GROUP LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

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

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

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

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

Principal activity

The principal activity of BSQ Group Limited ("the Company") is that of a holding company supporting the activities of both established and newly formed subsidiaries, associated companies and other investments.

The principal activity of the Group is that of formation agents and company secretarial service provider.

Results and dividends

The profit for the year, after taxation, amounted to £901,279 (2022 - £1,100,565).

Dividends of £166,062 (2022: £229,000) were declared and paid during the year.

Director

The director who served during the year was:

G C Donnelly

Future developments

There are currently no plans to materially alter the operations of the Group in the near future. The Group has continued its growth trajectory post year-end, and this is envisaged to continue throughout the remainder of FY23-24 and FY24-25.

BSQ GROUP LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Graeme Donnelly

G C Donnelly
Director

Date: 28/03/2024

BSQ GROUP LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSQ GROUP LTD

Opinion

We have audited the financial statements of BSQ Group Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

BSQ GROUP LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSQ GROUP LTD (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

BSQ GROUP LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSQ GROUP LTD (CONTINUED)

Auditors' 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 Auditors' 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 Group financial statements.

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:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the

BSQ GROUP LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSQ GROUP LTD (CONTINUED)

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Auditors' 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.

Nick Bishop

Nick Bishop FCA (Senior statutory auditor)

for and on behalf of
BKL Audit LLP

Chartered Accountants
Statutory Auditor

London

Date: 28/03/2024

BSQ GROUP LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Turnover	4	10,632,343	8,643,731
Cost of sales		(1,740,060)	(1,656,528)
Gross profit		8,892,283	6,987,203
Administrative expenses		(7,754,001)	(5,673,954)
Other operating income	5	53,616	15,890
Operating profit	6	1,191,898	1,329,139
Interest receivable and similar income		108	1,099
Interest payable and similar expenses		(725)	(3,293)
Profit before taxation		1,191,281	1,326,945
Tax on profit	10	(290,002)	(226,380)
Profit for the financial year		901,279	1,100,565
Profit for the year attributable to:			
Owners of the parent Company		901,279	1,100,565
		901,279	1,100,565

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 16 to 31 form part of these financial statements.

BSQ GROUP LTD
REGISTERED NUMBER: 12319416

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	-	1,929
Tangible assets	13	2,153,361	266,423
		<u>2,153,361</u>	<u>268,352</u>
Current assets			
Debtors: amounts falling due within one year	15	751,388	676,406
Cash at bank and in hand		5,000,666	4,650,895
		<u>5,752,054</u>	<u>5,327,301</u>
Creditors: amounts falling due within one year	16	(5,484,750)	(4,174,808)
Net current assets		<u>267,304</u>	<u>1,152,493</u>
Total assets less current liabilities		<u>2,420,665</u>	<u>1,420,845</u>
Provisions for liabilities			
Deferred tax	17	(299,498)	(35,790)
		<u>(299,498)</u>	<u>(35,790)</u>
Net assets		<u><u>2,121,167</u></u>	<u><u>1,385,055</u></u>
Capital and reserves			
Called up share capital	18	900	5
Share premium		3,101	3,101
Capital redemption reserve	19	2	2
Profit and loss account	19	2,117,164	1,381,947
Equity attributable to owners of the parent Company		<u>2,121,167</u>	<u>1,385,055</u>
		<u><u>2,121,167</u></u>	<u><u>1,385,055</u></u>

BSQ GROUP LTD
REGISTERED NUMBER: 12319416

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2023

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

Graeme Donnelly

G C Donnelly
Director

Date: 28/03/2024

The notes on pages 16 to 31 form part of these financial statements.

BSQ GROUP LTD
REGISTERED NUMBER: 12319416

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	14	3,105	3,101
Current assets			
Debtors: amounts falling due within one year	15	7,375	4,675
		7,375	4,675
Creditors: amounts falling due within one year	16	(6,279)	(4,670)
Net current assets		1,096	5
Total assets less current liabilities		4,201	3,106
Net assets		4,201	3,106
Capital and reserves			
Called up share capital	18	900	5
Share premium account	19	3,101	3,101
Profit for the year		166,262	229,000
Other changes in the profit and loss account		(166,062)	(229,000)
Profit and loss account carried forward		200	-
		4,201	3,106

BSQ GROUP LTD
REGISTERED NUMBER: 12319416

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2023

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

Graeme Donnelly

G C Donnelly
Director

Date: 28/03/2024

The notes on pages 16 to 31 form part of these financial statements.

BSQ GROUP LTD

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

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2021	5	3,101	2	510,382	513,490
Comprehensive income for the year					
Profit for the year	-	-	-	1,100,565	1,100,565
Dividends	-	-	-	(229,000)	(229,000)
At 1 July 2022	5	3,101	2	1,381,947	1,385,055
Comprehensive income for the year					
Profit for the year	-	-	-	901,279	901,279
Dividends	-	-	-	(166,062)	(166,062)
Shares issued during the year	895	-	-	-	895
At 30 June 2023	900	3,101	2	2,117,164	2,121,167

The notes on pages 16 to 31 form part of these financial statements.

BSQ GROUP LTD

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2021	5	3,101	-	3,106
Comprehensive income for the year				
Profit for the year	-	-	229,000	229,000
Dividends	-	-	(229,000)	(229,000)
At 1 July 2022	5	3,101	-	3,106
Comprehensive income for the year				
Profit for the year	-	-	166,262	166,262
Dividends	-	-	(166,062)	(166,062)
Shares issued during the year	895	-	-	895
At 30 June 2023	900	3,101	200	4,201

The notes on pages 16 to 31 form part of these financial statements.

BSQ GROUP LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	901,279	1,100,565
Adjustments for:		
Amortisation of intangible assets	4,501	19
Depreciation of tangible assets	153,422	82,270
Impairments of fixed assets	100,185	3,094
Interest paid	725	3,293
Interest received	(108)	(1,099)
Taxation charge	290,002	226,380
(Increase) in debtors	(121,258)	(54,162)
Increase in creditors	1,503,553	857,728
Corporation tax (paid)	(173,631)	(48,465)
Net cash generated from operating activities	2,658,670	2,169,623
Cash flows from investing activities		
Purchase of intangible fixed assets	(102,756)	(740)
Purchase of tangible fixed assets	(2,040,359)	(133,083)
Interest received	108	1,099
Net cash from investing activities	(2,143,007)	(132,724)
Cash flows from financing activities		
Issue of ordinary shares	895	-
Dividends paid	(166,062)	(229,000)
Interest paid	(725)	(3,293)
Net cash used in financing activities	(165,892)	(232,293)
Net increase in cash and cash equivalents	349,771	1,804,606
Cash and cash equivalents at beginning of year	4,650,895	2,846,289
Cash and cash equivalents at the end of year	5,000,666	4,650,895
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,000,666	4,650,895

The notes on pages 16 to 31 form part of these financial statements.

BSQ GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. General Information

The principal activity of the Group during the year was that of formation agents and company secretarial service provider.

The company is a private Company limited by shares and is incorporated in England and Wales.

The address of its Registered Office is 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

Based on the results to date and future projections, the directors are confident that the Group will continue to meet its liabilities as they fall due, looking forward at least twelve months from the date of signing these financial statements. As a result, the directors have prepared the financial statements on a going concern basis.

BSQ GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover can be measured reliably;
- it is probable that the Group 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.

2.6 Operating leases: the Group as lessee

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

2.7 Interest income

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

2.8 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.

BSQ GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.10 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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 reporting date.

2.11 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

BSQ GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.12 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, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	-	10% Straight-line method
Plant and machinery	-	25% Straight-line method
Office equipment	-	25% Straight-line method
Computer equipment	-	25% Straight-line method

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.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.15 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

BSQ GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

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

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Consolidated Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. 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.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

(i) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the tangible fixed assets, and note 2.6 for the useful economic lives for each class of assets.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Sales	10,632,343	8,643,731

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Rents receivable	51,543	-
Sundry income	2,073	15,890
	53,616	15,890

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

6. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Other operating lease rentals	596,442	276,700
Depreciation and amortisation	157,923	85,383
	754,365	362,083

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	27,500	-

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	3,935,248	2,816,586	-	-
Social security costs	409,164	289,033	-	-
Cost of defined contribution scheme	68,444	72,852	-	-
	4,412,856	3,178,471	-	-

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Directors	1	1	1	1
Employees	88	70	-	-
	89	71	1	1

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

9. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	273,266	192,000

The highest paid director received remuneration of £273,266 (2022 - £192,000).

10. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	26,294	219,901
Total current tax	26,294	219,901
Deferred tax		
Origination and reversal of timing differences	263,708	6,479
Total deferred tax	263,708	6,479
Tax on profit	290,002	226,380

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *lower than*) the standard rate of corporation tax in the UK of 25% (2022 - 19%). The differences are explained below:

	2023	2022
	£	£
Profit on ordinary activities before tax	1,191,281	1,326,945
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2022 - 19%)	297,820	252,120
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,674	3,934
Capital allowances for year in excess of depreciation	(7,273)	(1,697)
Short-term timing difference leading to an increase (decrease) in taxation	2,560	-
Other differences leading to an increase (decrease) in the tax charge	(4,779)	(27,977)

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

11. Dividends

	2023	2022
	£	£
Dividends paid on Ordinary Shares	166,062	229,000

12. Intangible assets

Group

	Other intangible assets £
Cost	
At 1 July 2022	138,333
Additions	102,756
At 30 June 2023	241,089
Amortisation	
At 1 July 2022	136,405
Charge for the year on owned assets	4,500
Impairment charge	100,184
At 30 June 2023	241,089
Net book value	
At 30 June 2023	-
At 30 June 2022	1,929

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

13. Tangible fixed assets

Group

	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £
Cost					
At 1 July 2022	543,531	247,382	142,309	169,041	144,984
Additions	1,687,801	149,592	-	188,922	14,044
At 30 June 2023	<u>2,231,332</u>	<u>396,974</u>	<u>142,309</u>	<u>357,963</u>	<u>159,028</u>
Depreciation					
At 1 July 2022	425,928	195,464	133,908	88,909	136,615
Charge for the year on owned assets	77,290	20,659	1,168	48,519	5,784
At 30 June 2023	<u>503,218</u>	<u>216,123</u>	<u>135,076</u>	<u>137,428</u>	<u>142,399</u>
Net book value					
At 30 June 2023	<u>1,728,114</u>	<u>180,851</u>	<u>7,233</u>	<u>220,535</u>	<u>16,629</u>
At 30 June 2022	<u>117,603</u>	<u>51,918</u>	<u>8,401</u>	<u>80,132</u>	<u>8,369</u>

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

13. Tangible fixed assets (continued)

	Total £
Cost	
At 1 July 2022	1,247,247
Additions	2,040,359
	<hr/>
At 30 June 2023	3,287,606
	<hr/>
Depreciation	
At 1 July 2022	980,824
Charge for the year on owned assets	153,420
	<hr/>
At 30 June 2023	1,134,244
	<hr/>
Net book value	
At 30 June 2023	2,153,362
	<hr/> <hr/>
At 30 June 2022	266,423
	<hr/> <hr/>

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost	
At 1 July 2022	3,101
Additions	4
At 30 June 2023	3,105

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

14. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Rapid Formations Limited *	71-75 Shelton Street,Covent Garden, London	Formation agents and company secretarial service provider	Ordinary	100%
1st Formations Limited *	71-75 Shelton Street,Covent Garden, London	Formation agents and company secretarial service provider	Ordinary	100%
Quality Formations Limited *	71-75 Shelton Street,Covent Garden, London	Formation agents and company secretarial service provider	Ordinary	100%
Blue Square Offices Limited *	272 Bath Street,Glasgow, G2 4JR	Company secretarial and other business services	Ordinary	100%
Linnear Limited *	71-75 Shelton Street,Covent Garden, London	Company secretarial and other business services	Ordinary	100%
71-75 Ltd	71-75 Shelton Street,Covent Garden, London	Dormant	Ordinary	100%
Kira Tech Ltd	71-75 Shelton Street,Covent Garden, London	Dormant	Ordinary	100%
BSQ Solutions Ltd	71-75 Shelton Street,Covent Garden, London	Dormant	Ordinary	100%
Jools Assist Ltd	71-75 Shelton Street,Covent Garden, London	Dissolved	Ordinary	100%

* Subsidiary companies for which the parent company has provided a parental company guarantee to exemption to audit as per S479A of the Companies Act 2006.

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

15. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	53,318	58,745	-	-
Amounts owed by group undertakings	-	-	7,375	4,675
Other debtors	432,301	271,442	-	-
Prepayments and accrued income	173,519	207,700	-	-
Tax recoverable	92,250	138,519	-	-
	751,388	676,406	7,375	4,675

16. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	435,354	272,314	-	-
Amounts owed to group undertakings	-	-	4	-
Corporation tax	26,295	219,901	-	-
Other taxation and social security	509,510	484,060	-	-
Other creditors	32,895	19,152	3,775	4,670
Accruals and deferred income	4,480,696	3,179,381	2,500	-
	5,484,750	4,174,808	6,279	4,670

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

17. Deferred taxation

Group	2023 £
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Charged to profit or loss	(263,708)
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At end of year	(299,498)
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	Group 2023 £	Group 2022 £
Short term timing differences	(299,498)	(35,790)

	2023	2022
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	£	£
Allotted, called up and fully paid		

900 (2022 - 5) Ordinary shares of £1.00 each	<u>900</u>	<u>5</u>
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During the year, 895 Ordinary \$1 shares were issued at par. Subsequent to this, the Ordinary \$1 shares

During the year, 695 Ordinary £1 shares were issued at par. Subsequent to this, the Ordinary £1 shares were sub divided to 90,000 Ordinary £0.01 shares.

19. Reserves

Profit and loss account

Includes all current retained profits and losses.

Interest on current retained profits and reserves:

20. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group, in an independently administered fund. The pension cost charged

Contributions totalling £15,392 (2022 - £11,755) were payable to the fund at the reporting date and are included in creditors.

BSQ GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

21. Commitments under operating leases

At 30 June 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	295,154	590,308
Later than 1 year and not later than 5 years	1,795,519	2,361,230
Later than 5 years	5,263,575	5,853,883
	<u>7,354,248</u>	<u>8,805,421</u>

22. Related party transactions

Where possible the company has taken advantage of the exemption conferred by section 33.1A of FRS 102 from the requirement to disclose transactions with other wholly owned group undertakings.

The amounts paid to key management totalled £273,266 (2022: £192,000)

Amount owed to Directors amount to £3,775 (2022: £4,670). These loans bear no interest and have no fixed terms of repayment.

23. Controlling party

The ultimate controlling party is G Donnelly by virtue of his 100% shareholding.

BSQ GROUP LTD

**COMPANY DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 £	2022 £
Less: overheads		
Administration expenses	(5,300)	-
Operating (loss)/profit	(5,300)	-
Investment income	171,562	229,000
Profit for the year	166,262	229,000

BSQ GROUP LTD

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	£	£
Administration expenses		
Accountancy fees	4,550	-
Insurances	750	-
	5,300	-
	2023	2022
	£	£
Investment income		
Income from investments in group companies	171,562	229,000