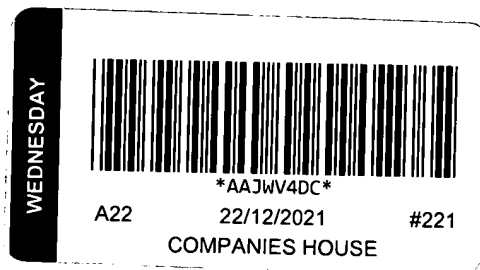


Company Registration No. 03160710 (England and Wales)

**EMPEROR DESIGN CONSULTANTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 AUGUST 2021**



# EMPEROR DESIGN CONSULTANTS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	K James S Kemp N S O'Connor V J Sugg K E Steidle C D Stamp P T Franklin P C Matthews
<b>Secretary</b>	K James
<b>Company number</b>	03160710
<b>Registered office</b>	The White Chapel Building 10 Whitechapel High Street London E1 8QS
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

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# EMPEROR DESIGN CONSULTANTS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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The directors present the strategic report for the year ended 31 August 2021.

#### **Fair review of the business**

The year ended 31 August 2021 was one of considerable progress for Emperor. Against a backdrop of uncertainty associated with the COVID-19 pandemic, the business has achieved significant growth. Our client retention has been strong and we have managed to develop incremental activity with both new and existing clients. We have also added strength to our management team and added a number of key leadership roles in the business, which has enabled us to continue to develop our market propositions. This overall has resulted in the positive results for Emperor set out below for the year ended 31 August 2021.

We have carefully considered our financial plans for the next year and are confident that this will continue to deliver a strong business performance over the next 12 months with enhanced performance beyond that.

#### **Key performance indicators**

The key performance indicators used by the Board to monitor progress are listed below:

Turnover £24.620m (2020: £21.961m), an underlying increase of 12.1%.

Gross profit £9.365m (2020: £8.162m), an underlying increase of 14.7%.

Profit on ordinary activities before tax was £2.391m compared with the previous year of £1.899m. This was after charging depreciation of £0.137m (2020: £0.144m).

The directors are pleased with the growth in Turnover, Gross Profit and Profit before tax achieved in the year.

#### **Principal risks and uncertainties**

Emperor has a risk management framework which is used to identify and manage principal risks and uncertainties as they emerge and evolve. Principal risks are reviewed four times a year by the Executive Committee and twice a year by the Board. The current list of principal risks is categorised under the following headings: overtrading through rapid growth; recruitment and retention of talented people; employee health and wellbeing; IT systems and cyber risk; integrity of culture resulting from the change to ownership and leadership model; evolving hybrid-working model; market correction; customer demand and competitor activity.

Controls and mitigations are in place in relation to all the risks identified. The risks around people, culture and wellbeing have been addressed through senior hires dedicated to talent recruitment and development, as well as a range of activities set out in our people strategy. We have invested significantly in our working environments and IT to ensure that our hybrid working model is robust and supports the requirements of our people and clients.

Emperor's broad client base across industries and geographies reduces our exposure to individual markets. A significant proportion of our proposition is driven by mandatory stakeholder reporting requirements, which provides some insulation against economic downturns, market corrections, changes in customer demand and increased competition. Most of our IT infrastructure is now cloud based with reputable application providers, and we have invested in the Darktrace Enterprise level security platform to enhance our cyber security.

The directors are confident that the breadth of the group's client base and service offering, the experience of its management team and the strength of its financial resources make it well positioned to manage the significant growth that Emperor is currently experiencing.

# EMPEROR DESIGN CONSULTANTS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### Other information and explanations

#### *Future developments*

The directors are optimistic that the current momentum in the business will continue to deliver significant growth. Our commitment to providing an excellent service to our existing client base is proving powerful in the retention and growth of those clients. At the same time the senior team we now have in place, and our growing reputation, are enabling us to win larger client mandates in a wider range of services.

Following the success of the acquisitions we have made over recent years, we continue to look at opportunities to grow the business both in the UK and overseas beyond pure organic growth.

#### *Financial risk management objectives and policies*

The financial risks identified are liquidity risks and credit risk. Liquidity risk is managed by ensuring that the group and company have sufficient liquid resources to meet the operating needs of the business. Formal credit control procedures are in place and trade debtors are reviewed on a regular basis. The company has in place an invoice financing facility, through which it manages its working capital requirements.

On behalf of the board

*Kingsley James*  
.....

K James  
**Director**

Date: 17/12/21  
.....

# EMPEROR DESIGN CONSULTANTS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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The directors present their annual report and financial statements for the year ended 31 August 2021.

#### Principal activities

The principal activity of the company and group continued to be that of brand strategy, the design, creation and production of corporate and marketing collateral for print and the internet, and marketing management.

#### Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £147,000 (2020: £474,500) of which £147,000 relates (2020: £24,500) to amounts paid to non-controlling interests. The directors do not recommend payment of a further dividend.

#### Directors

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

K James	
S Kemp	
N S O'Connor	
V J Sugg	(Appointed 1 January 2021)
K E Steidle	(Appointed 1 January 2021)
C D Stamp	(Appointed 1 January 2021)
P T Franklin	(Appointed 1 January 2021)
P C Matthews	(Appointed 1 January 2021)

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. The matters covered in the strategic report are future developments and financial risk management objectives and policies.

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### Statement of disclosure to auditor

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

# EMPEROR DESIGN CONSULTANTS LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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On behalf of the board

*Kingsley James*

.....  
K James  
**Director**

Date: 17/12/21 .....

# **EMPEROR DESIGN CONSULTANTS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021**

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 and then apply them consistently;
- make judgements 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

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMPEROR DESIGN CONSULTANTS LIMITED

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## Opinion

We have audited the financial statements of Emperor Design Consultants Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 August 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 August 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## 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.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMPEROR DESIGN CONSULTANTS LIMITED (CONTINUED)**

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## **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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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 5, 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.

## **Auditor's responsibilities for the audit of the financial statements**

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

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMPEROR DESIGN CONSULTANTS LIMITED (CONTINUED)

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business where these were identified.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Nicholas Davies*

Nicholas Davies FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom  
17/12/21.....

# EMPEROR DESIGN CONSULTANTS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	24,620,260	21,961,274
Cost of sales		(15,254,873)	(13,799,442)
<b>Gross profit</b>		<u>9,365,387</u>	<u>8,161,832</u>
Administrative expenses		(7,012,118)	(6,600,915)
Other operating income		37,594	337,606
<b>EBITDA *</b>		<u>2,527,604</u>	<u>2,042,857</u>
Depreciation of tangible fixed assets	<b>13</b>	(136,741)	(144,334)
<b>Operating profit</b>	<b>8</b>	<u>2,390,863</u>	<u>1,898,523</u>
Interest receivable and similar income	<b>10</b>	36	103
<b>Profit before taxation</b>		<u>2,390,899</u>	<u>1,898,626</u>
Tax on profit	<b>11</b>	(469,759)	(410,028)
<b>Profit for the financial year</b>		<u><u>1,921,140</u></u>	<u><u>1,488,598</u></u>
Profit for the financial year is attributable to:			
- Owners of the parent company		1,740,482	1,358,327
- Non-controlling interests		180,658	130,271
		<u><u>1,921,140</u></u>	<u><u>1,488,598</u></u>
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		1,740,482	1,358,327
- Non-controlling interests		180,658	130,271
		<u><u>1,921,140</u></u>	<u><u>1,488,598</u></u>

\*Earnings before interest, tax, depreciation and amortisation

**EMPEROR DESIGN CONSULTANTS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		280,476		243,816
<b>Current assets</b>					
Stocks	16	350,661		371,032	
Debtors	17	4,975,909		4,685,510	
Cash at bank and in hand		1,602,651		665,165	
		<u>6,929,221</u>		<u>5,721,707</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(4,422,474)</u>		<u>(3,473,821)</u>	
<b>Net current assets</b>			<u>2,506,747</u>		<u>2,247,886</u>
<b>Total assets less current liabilities</b>			<u>2,787,223</u>		<u>2,491,702</u>
<b>Provisions for liabilities</b>	19		<u>(42,226)</u>		<u>(20,845)</u>
<b>Net assets</b>			<u><u>2,744,997</u></u>		<u><u>2,470,857</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		853		853
Capital redemption reserve	23		150		150
Profit and loss reserves	23		2,541,679		2,301,197
<b>Equity attributable to owners of the parent company</b>			<u>2,542,682</u>		<u>2,302,200</u>
<b>Non-controlling interests</b>			<u>202,315</u>		<u>168,657</u>
			<u><u>2,744,997</u></u>		<u><u>2,470,857</u></u>

The financial statements were approved by the board of directors and authorised for issue on 17/12/21  
and are signed on its behalf by:

*Kingsley James*

.....  
K James  
Director

**EMPEROR DESIGN CONSULTANTS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 AUGUST 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		270,833		229,604
Investments	14		510		510
			<u>271,343</u>		<u>230,114</u>
<b>Current assets</b>					
Stocks	16	350,011		356,028	
Debtors	17	4,817,400		4,531,416	
Cash at bank and in hand		1,051,092		474,593	
		<u>6,218,503</u>		<u>5,362,037</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(4,116,263)</u>		<u>(3,444,137)</u>	
<b>Net current assets</b>			<u>2,102,240</u>		<u>1,917,900</u>
<b>Total assets less current liabilities</b>			<u>2,373,583</u>		<u>2,148,014</u>
<b>Provisions for liabilities</b>	19		<u>(40,963)</u>		<u>(20,845)</u>
<b>Net assets</b>			<u><u>2,332,620</u></u>		<u><u>2,127,169</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		853		853
Capital redemption reserve	23		150		150
Profit and loss reserves	23		2,331,617		2,126,166
<b>Total equity</b>			<u><u>2,332,620</u></u>		<u><u>2,127,169</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £1,705,451 (2020 - £1,248,238 profit).

The financial statements were approved by the board of directors and authorised for issue on 17/12/21  
and are signed on its behalf by:

*Kingsley James*

K James  
Director

## EMPEROR DESIGN CONSULTANTS LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
<b>Balance at 1 September 2019</b>		853	150	1,437,880	1,438,883	62,886	1,501,769
<b>Year ended 31 August 2020:</b>							
Profit and total comprehensive income for the year		-	-	1,358,327	1,358,327	130,271	1,488,598
Dividends	12	-	-	(450,000)	(450,000)	(24,500)	(474,500)
Other movements		-	-	(45,010)	(45,010)	-	(45,010)
<b>Balance at 31 August 2020</b>		853	150	2,301,197	2,302,200	168,657	2,470,857
<b>Year ended 31 August 2021:</b>							
Profit and total comprehensive income for the year		-	-	1,740,482	1,740,482	180,658	1,921,140
Dividends	12	-	-	-	-	(147,000)	(147,000)
Capital contribution to EOT		-	-	(1,500,000)	(1,500,000)	-	(1,500,000)
<b>Balance at 31 August 2021</b>		853	150	2,541,679	2,542,682	202,315	2,744,997

# EMPEROR DESIGN CONSULTANTS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 September 2019</b>		853	150	1,372,938	1,373,941
<b>Year ended 31 August 2020:</b>					
Profit and total comprehensive income for the year		-	-	1,248,238	1,248,238
Dividends	12	-	-	(450,000)	(450,000)
Other movements		-	-	(45,010)	(45,010)
<b>Balance at 31 August 2020</b>		853	150	2,126,166	2,127,169
<b>Year ended 31 August 2021:</b>					
Profit and total comprehensive income for the year		-	-	1,705,451	1,705,451
Capital contribution to EOT		-	-	(1,500,000)	(1,500,000)
<b>Balance at 31 August 2021</b>		853	150	2,331,617	2,332,620

# EMPEROR DESIGN CONSULTANTS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	3,027,892		1,424,833	
Income taxes paid		(417,041)		(369,586)	
<b>Net cash inflow from operating activities</b>		<b>2,610,851</b>		<b>1,055,247</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(173,401)		(76,973)	
Interest received		36		103	
<b>Net cash used in investing activities</b>		<b>(173,365)</b>		<b>(76,870)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		-		(45,010)	
Capital contribution to EOT		(1,500,000)		-	
Dividends paid to equity shareholders		-		(450,000)	
Dividends paid to non-controlling interests		-		(24,500)	
<b>Net cash used in financing activities</b>		<b>(1,500,000)</b>		<b>(519,510)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>937,486</b>		<b>458,867</b>	
Cash and cash equivalents at beginning of year		665,165		206,298	
<b>Cash and cash equivalents at end of year</b>		<b>1,602,651</b>		<b>665,165</b>	

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

#### Company information

Emperor Design Consultants Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is The White Chapel Building, 10 Whitechapel High Street, London, E1 8QS.

The group consists of Emperor Design Consultants Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

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

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are included within these consolidated financial statements of Emperor Design Consultants Limited.

#### Basis of consolidation

The consolidated financial statements incorporate those of Emperor Design Consultants Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2021.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

#### Going concern

The directors have considered the impact of the Coronavirus outbreak and other commercial matters on the financial performance of the group and company. The future outcome of the outbreak is highly uncertain and cannot be predicted, and therefore the group and company's financial performance may be adversely affected. However, at the time of approving the financial statements, the directors are comfortable that the group and company has access to adequate resources for at least the period of 12 months from the approval of the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Turnover is recognised only when the related work has been completed or has reached a billable stage.

#### Tangible fixed assets

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

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

Leasehold land and buildings	Over the lease term (5 years)
Plant and equipment	3-5 years straight line
Fixtures and fittings	7 years straight line

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

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

#### Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### Impairment of fixed assets

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

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### **Stocks**

Work in progress is valued at the lower of cost and net realisable value and represents production costs which have not yet been recharged to clients.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies (Continued)

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

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

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, and amounts due from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

##### ***Equity instruments***

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

##### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies (Continued)

#### **Deferred tax**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### **Employee benefits**

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

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Share-based payments**

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

#### **Leases**

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

#### **Government grants**

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

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

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies (Continued)

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss.

##### **Invoice financing**

The company uses a facility from the bank for invoice financing. The facility is with full recourse and the accounting treatment, in accordance with FRS 102, is to present the debtors and the liability to the finance house separately.

#### 2 Judgements and key sources of estimation uncertainty

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

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

The directors do not consider there to be any key judgements or sources of estimation uncertainty present in the preparation of these financial statements.

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Turnover and other revenue

All turnover is generated by the principal activity of the group.

	2021	2020
	£	£
<b>Other revenue</b>		
Interest income	36	103
Grants received	37,594	337,606
	<u>                    </u>	<u>                    </u>
	2021	2020
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	20,999,708	18,082,575
Europe	1,565,964	1,353,057
Rest of the World	2,054,588	2,525,642
	<u>                    </u>	<u>                    </u>
	<u>24,620,260</u>	<u>21,961,274</u>

### 4 Government grants

During the year, the group made a successful application under the government Coronavirus Job Retention Scheme to aid businesses with the financial impact of the COVID-19 pandemic. The total amount claimed during the year was £37,594 (2020: £337,606). No amounts remained receivable at the year end. The grant relates to staff costs, which are included within cost of sales and the grant of £37,594 (2020: £337,606) has been recognised in the statement of comprehensive income as other operating income.

### 5 Employees

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

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
Design staff	201	184	188	172
Administrative staff	35	31	35	31
Directors	4	3	4	3
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>240</u>	<u>218</u>	<u>227</u>	<u>206</u>

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 5 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	13,024,291	11,288,223	12,345,086	10,743,609
Social security costs	1,172,275	1,029,307	1,112,628	975,825
Pension costs	377,798	384,390	361,991	368,051
	<u>14,574,364</u>	<u>12,701,920</u>	<u>13,819,705</u>	<u>12,087,485</u>

#### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	807,238	537,366
Company pension contributions to defined contribution schemes	37,561	29,988
	<u>844,799</u>	<u>567,354</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2020 - 3).

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

	2021 £	2020 £
Remuneration for qualifying services	257,502	224,315
Company pension contributions to defined contribution schemes	9,996	9,996
	<u>267,498</u>	<u>234,311</u>

#### 7 Share-based payment transactions

On 1 June 2021, the company established an Enterprise Management Incentive (EMI) share option scheme and issued share options to certain employees. These options vest five years from the date of grant. On vesting, the option holder may purchase the company's Ordinary C shares at a value previously agreed with HMRC provided certain conditions are met, and at certain dates based on a valuation method set out in the articles of association, the Ordinary C shareholders may require the company to purchase the shares back in cash.

As at 31 August 2021, the expense and liability in respect of the share option scheme relating to the current financial year has not been recognised due to being immaterial.

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

<b>8 Operating profit</b>	<b>2021</b>	<b>2020</b>
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences	13,290	(45,623)
Government grants	(37,594)	(337,606)
Depreciation of owned tangible fixed assets	136,741	144,334
Operating lease charges	588,146	649,532
	<u>          </u>	<u>          </u>
<b>9 Auditor's remuneration</b>	<b>2021</b>	<b>2020</b>
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	32,000	28,800
	<u>          </u>	<u>          </u>
<b>10 Interest receivable and similar income</b>	<b>2021</b>	<b>2020</b>
	£	£
<b>Interest income</b>		
Interest on bank deposits	36	103
	<u>          </u>	<u>          </u>
<b>11 Taxation</b>	<b>2021</b>	<b>2020</b>
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	447,492	405,705
Adjustments in respect of prior periods	886	14,694
Total current tax	448,378	420,399
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	21,381	(10,371)
	<u>          </u>	<u>          </u>
Total tax charge	469,759	410,028
	<u>          </u>	<u>          </u>

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 11 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	2,390,899	1,898,626
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	454,271	360,739
Tax effect of expenses that are not deductible in determining taxable profit	5,969	40,861
Change in unrecognised deferred tax assets	-	7,084
Adjustments in respect of prior years	886	11,068
Permanent capital allowances in excess of depreciation	1,021	4,084
Other non-reversing timing differences	-	(11,138)
Other permanent differences	(33,590)	4,845
Under/(over) provided in prior years	-	1,935
Income not taxable	29,373	-
Change in tax rates	1,998	(10,523)
Remeasurement of deferred tax changes in tax rates	9,831	1,073
Taxation charge	469,759	410,028

#### 12 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Final paid	-	450,000

The dividends noted above are paid by the company. In addition, during the year there was £147,000 (2020: £24,500) paid by the subsidiary to non-controlling interests.

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 13 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2020	304,400	388,284	191,098	883,782
Additions	-	115,971	57,430	173,401
Disposals	-	(138,151)	(10,691)	(148,842)
At 31 August 2021	304,400	366,104	237,837	908,341
<b>Depreciation and impairment</b>				
At 1 September 2020	230,185	292,874	116,907	639,966
Depreciation charged in the year	32,003	80,482	24,256	136,741
Eliminated in respect of disposals	-	(138,151)	(10,691)	(148,842)
At 31 August 2021	262,188	235,205	130,472	627,865
<b>Carrying amount</b>				
At 31 August 2021	42,212	130,899	107,365	280,476
At 31 August 2020	74,215	95,410	74,191	243,816
<b>Company</b>				
	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2020	304,400	363,310	191,098	858,808
Additions	-	111,535	57,430	168,965
Disposals	-	(138,151)	(10,691)	(148,842)
At 31 August 2021	304,400	336,694	237,837	878,931
<b>Depreciation and impairment</b>				
At 1 September 2020	230,185	282,112	116,907	629,204
Depreciation charged in the year	32,003	71,477	24,256	127,736
Eliminated in respect of disposals	-	(138,151)	(10,691)	(148,842)
At 31 August 2021	262,188	215,438	130,472	608,098
<b>Carrying amount</b>				
At 31 August 2021	42,212	121,256	107,365	270,833
At 31 August 2020	74,215	81,198	74,191	229,604

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	510	510

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b> At 1 September 2020 and 31 August 2021	510
<b>Carrying amount</b> At 31 August 2021	510
At 31 August 2020	510

### 15 Subsidiaries

Details of the company's subsidiaries at 31 August 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Emperor Presentations Limited	The White Chapel Building, 10 Whitechapel High Street, London, E1 8QS	Design, creation and production of presentation collateral for clients	Ordinary	51	

Emperor Presentations Limited (company number 11465813) is exempt from audit under section 479A of the Companies Act 2006.

### 16 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Work in progress	350,661	371,032	350,011	356,028

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	4,071,811	3,926,487	3,917,444	3,775,954
Corporation tax recoverable	-	2,940	-	2,940
Other debtors	393,759	535,198	390,506	532,484
Prepayments and accrued income	492,579	220,885	491,690	220,038
	<u>4,958,149</u>	<u>4,685,510</u>	<u>4,799,640</u>	<u>4,531,416</u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	<u>17,760</u>	<u>-</u>	<u>17,760</u>	<u>-</u>
<b>Total debtors</b>	<u>4,975,909</u>	<u>4,685,510</u>	<u>4,817,400</u>	<u>4,531,416</u>

The company has utilised an invoice factoring facility during the year. Related to this facility is a fixed and floating charge against all property and assets present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery. There was no amount secured at the end of the current or prior period.

### 18 Creditors: amounts falling due within one year

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Trade creditors	1,459,323	1,008,147	1,451,325	997,664
Amounts owed to group undertakings	-	-	82,202	151,165
Corporation tax payable	448,796	420,399	362,651	356,581
Other taxation and social security	514,426	380,524	473,363	299,897
Other creditors	228,119	78,036	77,461	76,357
Accruals and deferred income	1,771,810	1,586,715	1,669,261	1,562,473
	<u>4,422,474</u>	<u>3,473,821</u>	<u>4,116,263</u>	<u>3,444,137</u>

### 19 Provisions for liabilities

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Deferred tax liabilities	20	<u>42,226</u>	<u>20,845</u>	<u>40,963</u>	<u>20,845</u>

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	<b>Liabilities 2021 £</b>	<b>Liabilities 2020 £</b>
<b>Group</b>		
Accelerated capital allowances	62,658	40,817
Tax losses	-	(19,972)
Short term timing differences	(20,432)	-
	<u>42,226</u>	<u>20,845</u>
	<b>Liabilities 2021 £</b>	<b>Liabilities 2020 £</b>
<b>Company</b>		
Accelerated capital allowances	60,247	40,817
Tax losses	-	(19,972)
Short term timing differences	(19,284)	-
	<u>40,963</u>	<u>20,845</u>
	<b>Group 2021 £</b>	<b>Company 2021 £</b>
<b>Movements in the year:</b>		
Liability at 1 September 2020	20,845	20,845
Charge to profit or loss	15,429	13,535
Effect of change in tax rate - profit or loss	5,952	6,583
	<u>42,226</u>	<u>40,963</u>

### 21 Retirement benefit schemes

	<b>2021 £</b>	<b>2020 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	377,798	384,390

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £82,052 (2020: £75,005) were payable to the fund at the year end and are included in creditors.

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 22 Share capital

	Group and Company			
	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of 1p each	5,000	5,000	50	50
Ordinary B shares of 1p each	80,000	80,000	800	800
Deferred shares of £1 each	3	3	3	3
	<u>85,003</u>	<u>85,003</u>	<u>853</u>	<u>853</u>

The Ordinary Shares, the Ordinary B Shares and the Deferred Shares rank pari passu in all respects other than the special rights attached to and restrictions imposed on the various shares as follows.

#### Dividends

The company shall apply any profits to the holders of the Ordinary Shares and/or Ordinary B Shares in respect of their holdings of such shares, pari passu and pro rata to the number of shares held by each of them, a non-cumulative dividend.

A Deferred Share shall not entitle its holder to receive any dividend or other distribution or participation in the income of the company.

#### Capital

On a return of capital winding up or otherwise, the assets of the company available for distribution shall be applied in proportion to the amounts paid up on subscription in respect of each Ordinary Share and each Ordinary B Share held.

A Deferred Share shall not entitle its holder to a return of capital on a winding up.

#### Voting

Each holder of Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the company. On a show of hands every holder of Ordinary Shares shall have one vote and on a poll every holder of Ordinary shares so present shall have one vote for every Ordinary Share held.

An Ordinary B Share shall carry the right to receive notice of general meetings of the company but not the right to attend and vote at them.

A Deferred Share shall not entitle its holder to receive notice of, or to attend or vote at, any general meeting of the company.

### 23 Reserves

#### Capital redemption reserve

The capital redemption reserve is a non-distributable reserve and represents repurchased share capital.

#### Profit and loss reserves

The profit and loss reserve represents the cumulative profit and loss, net of distributions to owners.

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 24 Analysis of changes in net funds - group

	1 September 2020	Cash flows	31 August 2021
	£	£	£
Cash at bank and in hand	665,165	937,486	1,602,651

#### 25 Operating lease commitments

##### Lessee

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

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Within one year	803,208	542,451	803,208	542,451
Between one and five years	2,414,462	533,624	2,414,462	533,624
In over five years	175,109	-	175,109	-
	<u>3,392,779</u>	<u>1,076,075</u>	<u>3,392,779</u>	<u>1,076,075</u>

#### 26 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2021	2020
	£	£
Aggregate compensation	1,192,370	788,159

##### Other information

During the year sales of £81,757 (2020: £72,230) were made to, and purchases of £535,258 (2020: £501,244) were made from Emperor Presentations Limited, a subsidiary of Emperor Design Consultants Limited. At the year end £82,202 (2020: £151,165) was owed by Emperor Design Consultants Limited. These transactions and balances have been eliminated in these consolidated financial statements.

The company's employee ownership trust (EOT) has acquired shares in the company and holds them in a trust for employees. During the year £1,500,000 (2020: £nil) was gifted to the EOT from the company.

# EMPEROR DESIGN CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 27 Cash generated from group operations

	2021	2020
	£	£
Profit for the year after tax	1,921,140	1,488,598
<b>Adjustments for:</b>		
Taxation charged	469,759	410,028
Investment income	(36)	(103)
Depreciation and impairment of tangible fixed assets	136,741	144,334
<b>Movements in working capital:</b>		
Decrease in stocks	20,371	124,886
(Increase)/decrease in debtors	(293,339)	21,895
Increase/(decrease) in creditors	773,256	(764,805)
<b>Cash generated from operations</b>	<u>3,027,892</u>	<u>1,424,833</u>

### 28 Parent company guarantee

Emperor Presentations Limited have applied the exemption from audit under section 479A of the Companies Act 2006. As such Emperor Design Consultants Limited, the parent undertaking, guarantees all outstanding liabilities to which the companies are subject at the end of the financial year, until they are satisfied in full, and the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary companies are liable in respect of those liabilities.