

Company registration number 04064193 (England and Wales)

BLUESOURCE INFORMATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

BLUESOURCE INFORMATION LIMITED

COMPANY INFORMATION

Directors	A P McKeeve A J Ward R M Wirszycz M Edwards
Secretary	A M Ward
Company number	04064193
Registered office	122 Tooley Street London SE1 2TU
Accountants	Harwood Hutton Limited 22 Wycombe End Beaconsfield Buckinghamshire HP9 1NB

BLUESOURCE INFORMATION LIMITED

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BLUESOURCE INFORMATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present the strategic report for the year ended 30 September 2022.

Fair review of the business

Bluesource achieved Group revenues of £17,264,055 (2021 - £16,648,086) and an operating profit of £214,689 (2021 - £148,557).

The Company strategy remains unchanged as we continue to focus on higher margin contracted recurring revenue from our expanding managed services offering and support services. Our investment in our own intellectual property, Cloud Locker, has enabled us to secure many new recurring revenue contracts. This focus has enabled us to cover more of our fixed costs with contracted revenue.

The Board are pleased with the mix of revenue as we are now less reliant on product sales which has seen an increase in key KPI's. Our turnover has increased by 3.70%, gross profit has increased by 5.72% and profit before tax has increased by 44.65%. We remain focussed on increasing our gross profit and are less concerned with top line turnover.

The group is in a good financial position with very healthy cash reserves. We continue to monitor the evolving technology landscape and review opportunities accordingly.

Principal risks and uncertainties

Technology changes

The group continually monitors changes in technology to ensure its sales offerings remain relevant to the market.

Liquidity risk

The group manages its cash in order to maximise interest income, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the group. Investments of cash surpluses are carefully considered by the Board before being approved.

Foreign currency risk

The group's principal foreign currency exposures arise from trading with overseas companies. The group policy does not demand that these exposures are hedged against and consequently a profit or loss may arise on any particular transaction undertaken by the group.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

On behalf of the board

.....
A J Ward
Director

Date: 26 January 2023

BLUESOURCE INFORMATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their annual report and financial statements for the year ended 30 September 2022.

Principal activities

The principal activity of the group continued to be that of information technology services.

Directors

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

A P McKeeve
A J Ward
R M Wirszyycz
M Edwards

Results and dividends

The results for the year are set out on page 7.

Interim ordinary dividends of £225,386 were paid on 5 October 2021.

Auditor

The auditor, Harwood Hutton Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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.

BLUESOURCE INFORMATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

A J Ward

Director

26 January 2023

BLUESOURCE INFORMATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLUESOURCE INFORMATION LIMITED

Opinion

We have audited the financial statements of Bluesource Information Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 30 September 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 the parent company's affairs as at 30 September 2022 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 *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 and 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.

BLUESOURCE INFORMATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLUESOURCE INFORMATION LIMITED

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, 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 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 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 our procedures are capable of detecting irregularities, including fraud, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing legal and professional fee invoices;
- we reviewed the minutes of board meetings to identify any references to non-compliance with laws and regulations.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

BLUESOURCE INFORMATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLUESOURCE INFORMATION LIMITED

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

David Jones David Jones (Senior Statutory Auditor)
For and on behalf of Harwood Hutton Limited

26 January 2023

Chartered Accountants
Statutory Auditor

22 Wycombe End
Beaconsfield
Buckinghamshire
HP9 1NB

BLUESOURCE INFORMATION LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		2022	2021
	Notes	£	£
Turnover	3	17,264,055	16,648,086
Cost of sales		(8,942,961)	(8,777,123)
Gross profit		8,321,094	7,870,963
Administrative expenses		(8,106,743)	(7,729,328)
Other operating income		338	6,922
Operating profit	4	214,689	148,557
Interest receivable and similar income	8	348	207
Interest payable and similar expenses	9	(12)	(107)
Profit before taxation		215,025	148,657
Tax on profit	10	(53,599)	(42,785)
Profit for the financial year		161,426	105,872
Other comprehensive income			
Currency translation differences		7,060	(7,555)
Total comprehensive income for the year		168,486	98,317

Total comprehensive income for the year is all attributable to the owners of the parent company.

BLUESOURCE INFORMATION LIMITED

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		236,626		306,266
Current assets					
Debtors	16	7,070,279		5,584,100	
Cash at bank and in hand		4,253,685		3,213,028	
		<u>11,323,964</u>		<u>8,797,128</u>	
Creditors: amounts falling due within one year	17	<u>(8,851,765)</u>		<u>(7,162,937)</u>	
Net current assets			<u>2,472,199</u>		<u>1,634,191</u>
Total assets less current liabilities			<u>2,708,825</u>		<u>1,940,457</u>
Creditors: amounts falling due after more than one year	18		<u>(1,444,687)</u>		<u>(558,293)</u>
Provisions for liabilities	19		<u>(34,287)</u>		<u>(48,260)</u>
Net assets			<u><u>1,229,851</u></u>		<u><u>1,333,904</u></u>
Capital and reserves					
Called up share capital	22		947		947
Share premium account			169,811		169,811
Capital redemption reserve			15		-
Profit and loss reserves			<u>1,059,078</u>		<u>1,163,146</u>
Total equity			<u><u>1,229,851</u></u>		<u><u>1,333,904</u></u>

The accompanying accounting policies and notes form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 26 January 2023 and are signed on its behalf by:

A J Ward
Director

BLUESOURCE INFORMATION LIMITED

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		232,261		300,417
Investments	13		550		550
			<u>232,811</u>		<u>300,967</u>
Current assets					
Debtors	16	6,315,072		4,367,638	
Cash at bank and in hand		2,844,803		2,465,189	
		<u>9,159,875</u>		<u>6,832,827</u>	
Creditors: amounts falling due within one year	17	<u>(7,060,530)</u>		<u>(5,739,323)</u>	
Net current assets			<u>2,099,345</u>		<u>1,093,504</u>
Total assets less current liabilities			<u>2,332,156</u>		<u>1,394,471</u>
Creditors: amounts falling due after more than one year	18		<u>(1,444,687)</u>		<u>(558,293)</u>
Provisions for liabilities	19		<u>(34,287)</u>		<u>(48,260)</u>
Net assets			<u>853,182</u>		<u>787,918</u>
Capital and reserves					
Called up share capital	22		947		947
Share premium account			169,811		169,811
Capital redemption reserve			15		-
Profit and loss reserves			<u>682,409</u>		<u>617,160</u>
Total equity			<u>853,182</u>		<u>787,918</u>

The accompanying accounting policies and notes form part of these financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £350,738 (2021 - £144,778)

The financial statements were approved by the board of directors and authorised for issue on 26 January 2023 and are signed on its behalf by:

A J Ward
Director

Company Registration No. 04064193

BLUESOURCE INFORMATION LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2020		947	169,811	-	1,365,028	1,535,786
Year ended 30 September 2021:						
Profit for the year		-	-	-	105,872	105,872
Other comprehensive income:						
Currency translation differences		-	-	-	(7,555)	(7,555)
Total comprehensive income for the year		-	-	-	98,317	98,317
Dividends	11	-	-	-	(300,199)	(300,199)
Balance at 30 September 2021		947	169,811	-	1,163,146	1,333,904
Year ended 30 September 2022:						
Profit for the year		-	-	-	161,426	161,426
Other comprehensive income:						
Currency translation differences		-	-	-	7,060	7,060
Total comprehensive income for the year		-	-	-	168,486	168,486
Issue of share capital	22	15	23,007	-	-	23,022
Dividends	11	-	-	-	(212,450)	(212,450)
Own shares acquired		-	-	-	(60,104)	(60,104)
Redemption of shares	22	(15)	(23,007)	15	-	(23,007)
Balance at 30 September 2022		947	169,811	15	1,059,078	1,229,851

BLUESOURCE INFORMATION LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2020		947	169,811	-	772,581	943,339
Year ended 30 September 2021:						
Profit and total comprehensive income for the year		-	-	-	144,778	144,778
Dividends	11	-	-	-	(300,199)	(300,199)
Balance at 30 September 2021		947	169,811	-	617,160	787,918
Year ended 30 September 2022:						
Profit and total comprehensive income for the year		-	-	-	350,739	350,739
Issue of share capital	22	15	23,007	-	-	23,022
Dividends	11	-	-	-	(225,386)	(225,386)
Own shares acquired		-	-	-	(60,104)	(60,104)
Redemption of shares	22	(15)	(23,007)	15	-	(23,007)
Balance at 30 September 2022		947	169,811	15	682,409	853,182

BLUESOURCE INFORMATION LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26	1,166,685		346,548	
Interest paid		(12)		(107)	
Income taxes refunded		29,997		31,858	
		<u>1,196,670</u>		<u>378,299</u>	
Net cash inflow from operating activities					
Investing activities					
Purchase of tangible fixed assets		(14,682)		(116,994)	
Loans made		-		(115,000)	
Receipts arising from loans made		-		12,684	
Interest received		348		207	
		<u>348</u>		<u>207</u>	
Net cash used in investing activities					
			(14,334)		(219,103)
Financing activities					
Proceeds from issue of shares		23,007		-	
Purchase of own shares		(83,096)		-	
Repayment of bank loans		-		(44,034)	
Dividends paid to equity shareholders		(212,450)		(300,199)	
		<u>(212,450)</u>		<u>(300,199)</u>	
Net cash used in financing activities					
			(272,539)		(344,233)
Net increase/(decrease) in cash and cash equivalents					
			909,797		(185,037)
Cash and cash equivalents at beginning of year		3,213,028		3,405,620	
Effect of foreign exchange rates		130,860		(7,555)	
		<u>3,213,028</u>		<u>3,405,620</u>	
Cash and cash equivalents at end of year					
		<u>4,253,685</u>		<u>3,213,028</u>	

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Bluesource Information Limited ("the company"), whose principal activity continued to be that of information technology services, is a private limited company domiciled and incorporated in England and Wales. The registered office is 122 Tooley Street, LONDON, SE1 2TU.

The group consists of Bluesource Information Limited and its subsidiary.

1.1 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.

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, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As the parent company of a group who prepares publicly available consolidated financial statements which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, Bluesource Information Ltd has 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 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Bluesource Information Limited and its subsidiary.

All intra-group transactions, balances and unrealised gains or losses on transactions between group companies are eliminated on consolidation.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and the rendering of services in the normal course of business, and is shown net of discounts and VAT.

Sale of goods

Revenue arises from the sale of information technology hardware. Revenue is recognised when the customer accepts delivery of the goods.

Rendering of services

Revenue arises from the provision of information technology services. Revenue is recognised proportionally over the performance of the service contract, by reference to the stage of completion of the transaction at the end of the reporting period.

1.4 Tangible fixed assets

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

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

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

Land and buildings leasehold	Straight line over the term of the lease
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance and 25% or 33% straight line
Motor vehicles	25% reducing balance

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 recognised in the profit and loss account.

1.5 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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.

1.6 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).

1.7 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Basic financial assets

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

Basic financial liabilities

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

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and are not recognised if the timing difference arises from a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.10 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the share options granted using a capitalisation of earnings method. Expenses, and the corresponding adjustments to equity, are not recognised in the financial statements as the directors do not consider these to be material to the accounts.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the lease.

1.13 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 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.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recognition of consultancy income

Consultancy projects often span a number of months and take a number of hours to complete using different levels of expertise. Before a project commences, an estimate is made on the level of staffing required and number of hours needed to complete. Consultancy income is recognised when reaching a significant milestone on a project such as the amount of data delivered or based upon the number of hours spent by staff, depending on the nature of the project.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Provision of services	16,635,435	16,262,121
Sale of goods	628,620	385,965
	<u>17,264,055</u>	<u>16,648,086</u>
	2022	2021
	£	£
Turnover analysed by geographical market		
UK	10,992,581	10,579,749
EU	767,406	453,996
Rest of world	5,504,068	5,614,341
	<u>17,264,055</u>	<u>16,648,086</u>
	2022	2021
	£	£
Other revenue		
Interest income	348	207
Grants received	-	6,456
	<u>-</u>	<u>6,456</u>

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(123,800)	28,991
Government grants	-	(6,456)
Depreciation of owned tangible fixed assets	84,322	66,919
Operating lease charges	184,325	252,325
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	23,000	23,000
	<u> </u>	<u> </u>

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Management	16	13	10	8
Sales	16	17	9	9
Administrative	5	6	5	6
Other	43	45	33	34
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	80	81	57	57
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	7,330,992	6,802,474	4,577,619	4,516,187
Social security costs	720,547	653,880	581,385	535,526
Pension costs	155,350	146,108	116,364	111,768
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	8,206,889	7,602,462	5,275,368	5,163,481
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

7	Directors' remuneration	2022	2021
		£	£
	Remuneration for qualifying services	956,243	840,820
		<u> </u>	<u> </u>
	The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).		
	Remuneration disclosed above includes the following amounts paid to the highest paid director:		
		2022	2021
		£	£
	Remuneration for qualifying services	325,401	309,679
		<u> </u>	<u> </u>
8	Interest receivable and similar income	2022	2021
		£	£
	Interest income		
	Interest on bank deposits	348	207
		<u> </u>	<u> </u>
9	Interest payable and similar expenses	2022	2021
		£	£
	Interest on bank overdrafts and loans	12	107
		<u> </u>	<u> </u>
10	Taxation	2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	47,097	12,058
	Foreign current tax on profits for the current period	20,475	13,571
	Total current tax	67,572	25,629
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	(13,973)	17,156
		<u> </u>	<u> </u>
	Total tax charge	53,599	42,785
		<u> </u>	<u> </u>

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	215,025	148,657
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	40,855	28,245
Tax effect of expenses that are not deductible in determining taxable profit	27,871	1,114
Tax effect of income not taxable in determining taxable profit	(1)	-
Depreciation on assets not qualifying for tax allowances	48	191
Tax relief on share options	(11,417)	-
Effect of overseas tax rates	(362)	14,552
Foreign exchange differences	(2,558)	3,833
Enhanced super deduction capital allowances	(837)	(5,150)
Taxation charge	53,599	42,785
11 Dividends	2022	2021
Recognised as distributions to equity holders:	£	£
Interim paid	225,386	300,199

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

12 Tangible fixed assets

Group	Land and buildings leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2021	144,754	8,663	634,952	201,350	989,719
Additions	3,655	-	11,027	-	14,682
At 30 September 2022	148,409	8,663	645,979	201,350	1,004,401
Depreciation and impairment					
At 1 October 2021	57,388	8,663	546,574	70,828	683,453
Depreciation charged in the year	9,719	-	26,541	48,062	84,322
At 30 September 2022	67,107	8,663	573,115	118,890	767,775
Carrying amount					
At 30 September 2022	81,302	-	72,864	82,460	236,626
At 30 September 2021	87,366	-	88,378	130,522	306,266
Company					
	Land and buildings leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2021	144,754	8,663	466,117	201,350	820,884
Additions	3,655	-	11,027	-	14,682
At 30 September 2022	148,409	8,663	477,144	201,350	835,566
Depreciation and impairment					
At 1 October 2021	57,388	8,663	383,588	70,828	520,467
Depreciation charged in the year	9,719	-	25,057	48,062	82,838
At 30 September 2022	67,107	8,663	408,645	118,890	603,305
Carrying amount					
At 30 September 2022	81,302	-	68,499	82,460	232,261
At 30 September 2021	87,366	-	82,529	130,522	300,417

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	550	550
Movements in fixed asset investments					
Company					
					Shares in subsidiaries £
Cost or valuation					
At 1 October 2021 and 30 September 2022					550
Carrying amount					
At 30 September 2022					550
At 30 September 2021					550

14 Subsidiaries

Details of the company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bluesource Inc	USA	Information technology	Ordinary	100.00	0

The above subsidiary is included in the consolidated financial statements.

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

15 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,865,816	3,830,014	3,264,734	2,757,175
Equity instruments measured at cost less impairment	-	-	550	550
Carrying amount of financial liabilities				
Measured at amortised cost	8,487,570	6,747,270	6,735,062	5,326,762

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

16 Debtors	Group	2021	Company	2021
	2022	2021	2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	3,655,398	3,569,799	3,163,824	2,360,281
Corporation tax recoverable	-	24,984	-	-
Amounts owed by group undertakings	-	-	64,186	245,548
Other debtors	152,929	260,215	36,724	151,346
Prepayments and accrued income	2,151,365	1,618,081	1,939,751	1,499,442
	<u>5,959,692</u>	<u>5,473,079</u>	<u>5,204,485</u>	<u>4,256,617</u>
Amounts falling due after more than one year:				
Prepayments and accrued income	1,110,587	111,021	1,110,587	111,021
	<u>1,110,587</u>	<u>111,021</u>	<u>1,110,587</u>	<u>111,021</u>
Total debtors	<u>7,070,279</u>	<u>5,584,100</u>	<u>6,315,072</u>	<u>4,367,638</u>
17 Creditors: amounts falling due within one year	Group	2021	Company	2021
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	2,848,629	1,791,782	2,040,586	1,068,396
Corporation tax payable	84,643	12,058	47,097	12,058
Other taxation and social security	279,552	403,609	278,371	400,503
Other creditors	138,364	95,276	-	5,854
Accruals and deferred income	5,500,577	4,860,212	4,694,476	4,252,512
	<u>8,851,765</u>	<u>7,162,937</u>	<u>7,060,530</u>	<u>5,739,323</u>
18 Creditors: amounts falling due after more than one year	Group	2021	Company	2021
	2022	2021	2022	2021
	£	£	£	£
Deferred income	1,444,687	558,293	1,444,687	558,293
	<u>1,444,687</u>	<u>558,293</u>	<u>1,444,687</u>	<u>558,293</u>

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022	Liabilities 2021
	£	£
Group		
Accelerated capital allowances	36,144	48,260
Retirement benefit obligations	(1,857)	-
	<u>34,287</u>	<u>48,260</u>
	<u><u>34,287</u></u>	<u><u>48,260</u></u>
	Liabilities 2022	Liabilities 2021
	£	£
Company		
Accelerated capital allowances	36,144	48,260
Retirement benefit obligations	(1,857)	-
	<u>34,287</u>	<u>48,260</u>
	<u><u>34,287</u></u>	<u><u>48,260</u></u>
	Group 2022	Company 2022
	£	£
Movements in the year:		
Liability at 1 October 2021	48,260	48,260
Credit to profit or loss	(13,973)	(13,973)
	<u>34,287</u>	<u>34,287</u>
Liability at 30 September 2022	<u><u>34,287</u></u>	<u><u>34,287</u></u>

20 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	155,350	146,108
	<u>155,350</u>	<u>146,108</u>

Defined contribution pension schemes are operated for all qualifying employees. The assets of the schemes are held separately from those of the group in independently administered funds.

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

21 Share-based payment transactions

The company operates an equity-settled Enterprise Management Incentive (EMI) share option plan under which options have been granted to employees.

Issue of 3,356 share options are to be exercised at any time between 14 September 2021 and 1 January 2029, subject to a minimum employment period. A further 1,038 options may be exercised at the point of the sale of the company, the number of which will depend upon the proceeds received for this sale.

Group and company	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 October 2021	4,828	4,828	15.64	15.64
Exercised	(1,472)	-	-	-
Outstanding at 30 September 2022	<u>3,356</u>	<u>4,828</u>	<u>-</u>	<u>15.64</u>
Exercisable at 30 September 2022	<u>3,356</u>	<u>4,828</u>	<u>15.64</u>	<u>15.64</u>

The expenses and associated adjustments to equity related to the share option plan are calculated using a capitalisation of earnings method, which is felt to be the most appropriate method of valuing the options of a privately-owned profitable trading company. The directors have excluded the expenses and adjustments to equity from the financial statements on the basis that they are not material.

22 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
"A" Ordinary shares of 1p each	75,800	75,800	758	758
"B" Ordinary shares of 1p each	18,900	18,900	189	189
	<u>94,700</u>	<u>94,700</u>	<u>947</u>	<u>947</u>

During the year 1,472 Ordinary A shares of £0.01 were allotted. £15.64 was paid for each of these shares. These shares were then subsequently re-purchased on the same day by the company for £56.39 each.

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

23 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain properties and equipment.

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		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	112,738	55,750	41,667	-
Between two and five years	338,335	417,206	283,333	325,000
	<u>451,073</u>	<u>472,956</u>	<u>325,000</u>	<u>325,000</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	<u>1,201,343</u>	<u>1,047,920</u>

Other information

All subsidiary undertakings are wholly-owned and as such the group has taken advantage of the exemption permitted by Section 33 'Related Party Disclosures', not to provide disclosures of transactions entered into with other wholly-owned members of the group.

25 Directors' transactions

At the balance sheet date, directors of the company owed £49,581 (2021 - £137,386) to the group. During the year loans of £115,000 were waived.

BLUESOURCE INFORMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

26 Cash generated from group operations

	2022	2021
	£	£
Profit for the year after tax	161,426	105,872
Adjustments for:		
Taxation charged	53,599	29,121
Finance costs	12	107
Investment income	(348)	(207)
Loan written off	115,000	-
Depreciation and impairment of tangible fixed assets	84,322	66,919
Foreign exchange gains on cash equivalents	(123,800)	-
Movements in working capital:		
(Increase)/decrease in debtors	(1,626,163)	354,964
Increase/(decrease) in creditors	1,616,243	(539,424)
Increase in deferred income	886,394	329,196
Cash generated from operations	<u>1,166,685</u>	<u>346,548</u>

27 Analysis of changes in net funds - group

	1 October 2021	Cash flows	Exchange rate	30 September
	£	£	movements	2022
			£	£
Cash at bank and in hand	3,213,028	861,378	179,279	4,253,685
	<u>3,213,028</u>	<u>861,378</u>	<u>179,279</u>	<u>4,253,685</u>

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