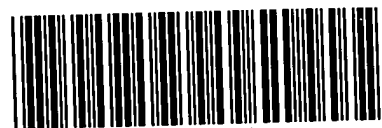


Company Registration No. 04092908 (England and Wales)

**72POINT LTD
(FORMERLY KNOWN AS 72 POINT LIMITED)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024**

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72POINT LTD

COMPANY INFORMATION

Directors	P M Walters A W Young M A Winter C D White C L Pharo
Secretary	M Robson
Company number	04092908
Registered office	21 Farringdon Road London EC1M 3HA England
Auditor	RSM UK Audit LLP Chartered Accountants 2nd Floor 1 The Square Temple Quay Bristol BS1 6DG

72POINT LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present the strategic report for the year ended 31 March 2024.

The principal activity of the company is the transaction of business in the public relations (PR) sector in the United Kingdom. The company was formerly known as 72 Point Limited but changed its name on 17 September 2024.

The business conducted is principally the provision of PR news generation and research services direct to corporate clients and to PR agencies (under the 72Point, 72PointPlay, OnePoll, Oath and PinPep brands).

The business is an established, and essential, partner to brands and agencies in the United Kingdom.

Review of the business

During the year, the directors conducted a full review of the company and its strategic objectives and, as a result, created a new operating board under Chris Pharo as CEO.

The company continues to develop its high quality content and to achieve exceptional coverage for clients. The company has taken steps in the period to educate and inform both customers and the broader industry on its operating model and its compliance and increasingly receives positive feedback as a result.

The year was once again disrupted by political and economic conditions, and these caused headwinds in both markets that the company operates in. The traditionally busy third quarter of the financial year, in particular, saw lower levels of trading than would normally be expected - and this was seen across the market.

The board continues to monitor the wider political and economic environment, and the impact on team members, and our trading partners. The directors have considered these risks and taken steps and actions they consider appropriate to minimise the associated impact. These include, and are not limited to, regular group-wide governance committee risk reviews, contingency planning, regular executive reviews of the position, reviewing our cost base and both short, and long term, stress-tested forecasts covering anticipated volumes and liquidity.

The operating board continues to keep staff informed through twice yearly townhall meetings and monthly management meetings. The hybrid working model continues to be adopted, with most staff now working 2-3 days per week in the office. This continues to be monitored alongside the introduction of other staff benefits to ensure employee wellbeing is always being enhanced.

On 5 April 2023, the company completed the acquisition of PinPep Media Limited to further enhance its product offering with high-quality visual assets. Details of this acquisition are disclosed in note 12 and in the parent company's financial statements.

Despite the economic and market conditions, 72Point climbed one place in the PR Week Top 150 Consumer Agencies to 6th (2023 – 7th) and remained well inside the top 50 overall at 36th (2023 – 32nd).

Results and performance

The results of the company for the year, as set out in the statement of comprehensive income, show a profit on ordinary activities before taxation of £2,114k (2023: £2,602k). Shareholders' funds are £1,735k (2023: £2,518k) reflecting the result for the year and the payment of dividends of £2,500k (2023: £2,000k).

On 5 April 2023, the company acquired Pinpep Media Limited. Its principal activity was previously the provision of photography and video services to the PR industry. On this date, the trade, assets and liabilities of Pinpep Media Limited were transferred to 72Point Ltd, from where the trade continues. Pinpep Media Limited is now dormant and there are no plans to reactivate it in the foreseeable future.

The underlying EBITDA of the company, adjusting for non-recurring costs, was £2.3m (2023: £2.7m). The shareholders are pleased with this performance given the aforementioned economic and market conditions.

72POINT LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Key performance indicators

The Board monitors the progress of the company by reference to the following Key Performance Indicators (KPIs):

Statement of comprehensive income KPIs

	Year to March 2024 £'000	Year to March 2023 £'000	Year to March 2022 £'000
Turnover	13,820	13,823	11,646
- Turnover growth percentage	0%	19%	37%
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	2,325	2,669	2,398
- EBITDA growth percentage	(13%)	11%	176%
Gross margin percentage	43.8%	42.1%	44.4%
EBITDA margin percentage	16.8%	19.3%	20.6%

Statement of financial position KPIs

	As at 31 March 2024 £'000	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Net current assets	1,378	2,402	2,316
Change in net current assets	(1,024)	86	539
Net assets	1,735	2,518	2,409
Change in net assets	(783)	109	430
Cash at bank and in hand	1,490	2,123	835
Change in cash at bank and in hand	(633)	1,288	265

Non-financial KPIs

	Year to March 2024 £'000	Year to March 2023 £'000	Year to March 2022 £'000
Number of team members	77	77	64
PR Week Top 150 ranking	36	32	38
PR Week Top 150 (Consumer Agencies)	6	7	8

Business environment

The news generation PR and market research sectors have been historically resilient to the significant economic and political challenges in the global environment, and have shown strong growth in recent years. The headwinds in the run up to the end of the 2023 calendar year were strong, and the sector experienced a period of shrinkage. This was experienced across marketing, advertising and PR markets.

72POINT LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Governance and risk

The process of risk assessment, and risk management, is addressed through a framework of policies, procedures and internal controls. All policies are subject to board approval. The governance of the company's group is overseen by the parent company's established Governance and Remuneration Committees.

These are headed by group non-executive director, Mr Andrew Jonesco, chair of the Governance and Remuneration Committees. He is supported by Mr Paul Potts CBE (Group Chairman), shareholder director of the group Paul Walters, group director Christopher White, and Matthew Robson, the group General Counsel and Company Secretary.

Compliance with regulation, legal and ethical standards, is a high priority for the Governance Committee, which identifies and reports on risk to the group board.

The company does not consider itself significantly exposed to liquidity, or interest rate risk, due to having no borrowing and strong cash reserves. Exposure is limited due to the vast majority of sales, and purchases, being in the base currency of each entity.

Directors' remuneration

The process of setting executive, operating board and director remuneration is undertaken by the group Remuneration Committee, with material changes to remuneration packages going through a formal review process and sign off.

Future developments

The company is proud of what has been achieved in a tough marketplace, with conflicting economic and market challenges.

A major objective of the company's group was to develop the next generation of executive talent by devolving decision making, and empowering them, to navigate the challenges of a rapidly changing PR and media landscape.

A vital part of the review has involved talking to our customers, listening to the market, and obtaining valuable insight into where they see the future, and our part in it. We thank them for their support and time.

A number of working groups are trialling AI tools that will assist us to improve productivity.

We would like to thank our entire team for all of their efforts in the last year in delivering this exceptional performance in a very challenging climate.

On behalf of the board

Paul M Walters

.....
P M Walters
Director

Date: 30/09/24

72POINT LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

The principal activity of the company continued to be that of the provision of public relations and market research.

Results and dividends

The results for the year are set out on page 9. Ordinary dividends were paid amounting to £2,500,000 (2023 - £2,000,000). The directors do not recommend payment of a final dividend for the year ended 31 March 2024.

Ordinary dividends were paid amounting to £2,500,000. The directors do not recommend payment of a final dividend.

Directors

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

P M Walters

A W Young

M A Winter

C D White

C L Pharo

(Appointed 1 November 2023)

C H White-Smith

(Appointed 1 November 2023 and resigned 30 May 2024)

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.

Auditor

RSM UK Audit LLP was appointed auditor during the year and has indicated its willingness to continue in office.

Matters included in the strategic report

As permitted by Companies Act 2006, s414C(11) the directors have chosen to set out in the company's strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. They have done so in respect of risk management disclosures and future developments.

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.

On behalf of the board

Paul M Walters

.....
P M Walters

Director

Date: 30/09/24

72POINT LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 72POINT LTD

Opinion

We have audited the financial statements of 72Point Ltd (the 'company') for the year ended 31 March 2024 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 company's affairs as at 31 March 2024 and of its 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 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.

Other matter - prior period financial statements not audited

The company was exempt from audit in the year ended 31 March 2023 and consequently the corresponding figures are unaudited.

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 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 the 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 72POINT LTD (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 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 audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is 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 72POINT LTD (CONTINUED)

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 reviewing tax computations prepared by external specialists.

The company audit engagement team identified the risk of management override of controls and revenue recognition as the areas 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; testing the recognition of a sample of revenue items with reference to the relevant contractual and coverage documentation, testing deferral of revenue, undertaking data analytics in respect of some revenue streams and the testing of controls relevant to the sales process.

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.

TR Morgan

Thomas Morgan (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
2nd Floor
1 The Square
Temple Quay
Bristol
BS1 6DG

.....
30/09/24

72POINT LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Turnover	3	13,820,159	13,823,203
Cost of sales		(7,760,868)	(7,973,533)
Gross profit		6,059,291	5,849,670
Administrative expenses		(3,985,454)	(3,249,376)
Other operating income		40,173	1,568
Operating profit	6	2,114,010	2,601,862
Interest receivable and similar income	7	255	-
Profit before taxation		2,114,265	2,601,862
Tax on profit	8	(396,727)	(492,903)
Profit for the financial year		1,717,538	2,108,959

72POINT LTD**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Notes	2024 £	£	2023 £	£
Fixed assets					
Goodwill	10		508,185		-
Other intangible assets	10		24,254		31,925
Total intangible assets			532,439		31,925
Tangible assets	11		82,592		99,793
Investments	12		2		-
			615,033		131,718
Current assets					
Debtors	13	4,254,835		4,408,098	
Cash at bank and in hand		1,489,774		2,123,324	
		5,744,609		6,531,422	
Creditors: amounts falling due within one year	14	(4,366,832)		(4,128,958)	
Net current assets			1,377,777		2,402,464
Total assets less current liabilities			1,992,810		2,534,182
Creditors: amounts falling due after more than one year	15		(241,200)		-
Provisions for liabilities	16		(16,362)		(16,472)
Net assets			1,735,248		2,517,710
Capital and reserves					
Called up share capital	19		10,000		10,000
Profit and loss reserves	20		1,725,248		2,507,710
Total equity			1,735,248		2,517,710

The financial statements were approved by the board of directors and authorised for issue on 30/09/24 and are signed on its behalf by:

Paul M Walters

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P M Walters
Director

72POINT LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2022		10,000	2,398,751	2,408,751
Year ended 31 March 2023:				
Profit and total comprehensive income for the year		-	2,108,959	2,108,959
Dividends	9	-	(2,000,000)	(2,000,000)
Balance at 31 March 2023		10,000	2,507,710	2,517,710
Year ended 31 March 2024:				
Profit and total comprehensive income for the year		-	1,717,538	1,717,538
Dividends	9	-	(2,500,000)	(2,500,000)
Balance at 31 March 2024		10,000	1,725,248	1,735,248

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

72Point Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 21 Farringdon Road, London, England, EC1M 3HA.

The company'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.

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.

Reduced disclosures

This 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:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for financial instruments not measured at fair value; 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 consolidated in the financial statements of SWNS Media Group Limited. These consolidated financial statements are available from its registered office; Media Centre, Emma Chris Way, Filton, Bristol, BS34 7JU.

Going concern

The company is part of the group headed by SWNS Media Group Limited. The going concern position of the company is therefore considered in the context of the group.

The group's Board continuously monitors the external environment for factors that may impact on the business and its trading partners as well as the individual trading of its subsidiaries. In recent years the Board has been monitoring the current conflicts across the globe and the impact these have had on the news agenda, as well as the high levels of inflation that we have experienced in the UK and the increases in interest rates to counter this.

The directors have considered these risks and taken steps and actions they consider appropriate to minimise the associated impact. These include, and are not limited to, contingency planning, regular executive reviews of the position, and both short and long term stress-tested forecasts covering anticipated workload and liquidity.

The group has no external debt and therefore the increase in interest rates has led to considerably higher returns on the cash balance held on deposit than has been seen in previous years. The current ratio has improved from 1.41 to 1.61 in the year.

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

The company's group continues to have healthy cash reserves of £3.2m at the end of year, and has an unused overdraft facility of £0.3m. The group's revenues and EBITDA continue to perform well despite the challenges that have been faced.

At the time of approving the financial statements, the directors therefore have a reasonable expectation that the group and company have adequate resources to continue in operational existence for a period of at least twelve months following the date of approval of these 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. The fair value of consideration takes into account trade discounts, settlement discounts and rebates as applicable.

There are several different revenue streams within the company and these have different revenue recognition policies depending on the nature of goods or services being provided:

- Standard PR packages - revenue on standard packages is recognised in three equal instalments based on the output method as each of the three phases of work on a project are completed.
- Research Only - revenue from standalone research projects is recognised in full on completion of the research work.
- Retainers - revenue from retainers is recognised monthly in line with the underlying contract.
- Bespoke projects - revenue and profit margin on bespoke projects is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Intangible fixed assets - goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over 5 years as in the opinion of the directors this represents the period over which the goodwill is effective. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Website and software development	4-5 years straight line
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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:

Computer equipment	33% straight line
Fixtures & fittings	25% 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.

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

Fixed asset investments

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 company. 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 company reviews the carrying amounts of its tangible and intangible 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.

Financial instruments

The company 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 when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with 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, amounts owed by group undertakings and cash and bank balances, 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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings, 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.

Equity instruments

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 company after deducting all of its liabilities. Equity instruments issued by the company 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 company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax is based on taxable profit for the year. 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 are recognised when tax paid exceeds the tax payable. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date. 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.

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

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.

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 leases asset are consumed.

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, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

In the opinion of the directors, the judgements, estimates and assumptions which are considered to have a material impact on the amounts presented in these financial statements are:

Revenue recognition

Revenue recognition is subject to the directors' reviews and estimation processes described under the turnover accounting policy set out in note 1. Prepayments and accrued income (see note 13) includes accrued income of £nil (2023 - £24,591). Accruals and deferred income (see note 14) includes deferred income of £2,401,443 (2023 - £2,283,621).

Goodwill carrying value and amortisation

Goodwill is being amortised on the basis disclosed in note 1. The amortisation rate reflects management's best estimate of the period over which this goodwill is expected to give rise to economic benefits. The goodwill is subject to periodic impairment reviews taking into account the performance of the acquired entity and expected future market conditions. The carrying value of goodwill is disclosed in note 10.

3 Turnover and other revenue

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

	2024 £	2023 £
Turnover analysed by class of business		
PR Services	10,039,866	9,899,902
Research Services	3,780,293	3,923,301
	<u>13,820,159</u>	<u>13,823,203</u>
	2024 £	2023 £
Turnover analysed by geographical market		
United Kingdom	12,521,905	12,230,091
Rest of Europe	653,837	965,584
Rest of World	644,417	627,528
	<u>13,820,159</u>	<u>13,823,203</u>

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

4 Employees

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

	2024 Number	2023 Number
Operations	69	69
Administrative	8	8
Total	<u>77</u>	<u>77</u>

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	4,680,061	4,562,321
Social security costs	543,350	583,917
Pension costs	152,178	135,803
	<u>5,375,589</u>	<u>5,282,041</u>

5 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	182,049	-
Company pension contributions to defined contribution schemes	4,625	4,667
	<u>186,674</u>	<u>4,667</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2023 - 1).

6 Operating profit

	2024 £	2023 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences	2,419	(6,978)
Fees payable to the company's auditor for the audit of the company's financial statements	4,500	-
Depreciation of owned tangible fixed assets	63,707	49,245
Loss on disposal of tangible fixed assets	82	-
Amortisation of intangible assets	147,404	18,243
Operating lease charges	<u>234,170</u>	<u>217,812</u>

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	255	-

8 Taxation

	2024 £	2023 £
Current tax		
UK corporation tax on profits for the current period	408,627	504,640
Adjustments in respect of prior periods	(3,790)	-
Total current tax	404,837	504,640
Deferred tax		
Origination and reversal of timing differences	(8,110)	(11,737)
Total tax charge	396,727	492,903

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:

	2024 £	2023 £
Profit before taxation	2,114,265	2,601,862
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	528,566	494,354
Tax effect of expenses that are not deductible in determining taxable profit	12,821	6,782
Change in unrecognised deferred tax assets	(1,837)	-
Adjustments in respect of prior years	(3,790)	-
Group relief	(179,179)	(3,480)
Permanent capital allowances in excess of depreciation	-	(1,934)
Depreciation/amortisation on assets not qualifying for tax allowances	40,146	-
Remeasurement of deferred tax for changes in tax rates	-	(2,819)
Taxation charge for the year	396,727	492,903

Factors affecting current and future tax charges

The main rate of corporation tax increased from 19% to 25% with effect from 1 April 2023.

9 Dividends

	2024 £	2023 £
Interim paid	2,500,000	2,000,000

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Intangible fixed assets

	Goodwill £	Website and software development £	Total £
Cost			
At 1 April 2023	-	72,972	72,972
Additions	635,231	12,687	647,918
At 31 March 2024	635,231	85,659	720,890
Amortisation and impairment			
At 1 April 2023	-	41,047	41,047
Amortisation charged for the year	127,046	20,358	147,404
At 31 March 2024	127,046	61,405	188,451
Carrying amount			
At 31 March 2024	508,185	24,254	532,439
At 31 March 2023	-	31,925	31,925

11 Tangible fixed assets

	Computer equipment £	Fixtures & fittings £	Total £
Cost			
At 1 April 2023	149,891	166,750	316,641
Additions	17,903	12,533	30,436
Disposals	(725)	-	(725)
Transfers from subsidiary	-	26,188	26,188
At 31 March 2024	167,069	205,471	372,540
Depreciation and impairment			
At 1 April 2023	103,693	113,155	216,848
Depreciation charged in the year	29,043	34,664	63,707
Eliminated in respect of disposals	(643)	-	(643)
Transfers from subsidiary	-	10,036	10,036
At 31 March 2024	132,093	157,855	289,948
Carrying amount			
At 31 March 2024	34,976	47,616	82,592
At 31 March 2023	46,198	53,595	99,793

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

12 Fixed asset investments

	2024 £	2023 £
Investments in subsidiaries	2	-
	<u>2</u>	<u>-</u>
Movements in fixed asset investments		
		Shares in group undertakings £
Cost or valuation		
At 1 April 2023		-
Additions		779,202
Transfer to goodwill (see below)		(671,948)
Transfer of retained earnings (see below)		(107,252)
		<u>2</u>
At 31 March 2024		2
Carrying amount		
At 31 March 2024		2
		<u>2</u>
At 31 March 2023		-
		<u>-</u>

Investments in subsidiaries reflect the company's interest in the entire issued ordinary share capital of Pinpep Media Limited, a company incorporated in the United Kingdom and registered in England and Wales. The registered office of Pinpep Media Limited is Media Centre, Unit A Emma Chris Way, Filton, Bristol, England, BS34 7JU.

Pinpep Media Limited was acquired on 5 April 2023. Its principal activity was previously the provision of photography and video services to the PR industry. On this date, the trade, assets and liabilities of Pinpep Media Limited were transferred to 72Point Ltd, from where the trade continues. Pinpep Media Limited is now dormant and there are no plans to reactivate it in the foreseeable future.

The transfer of trade, assets and liabilities was accounted for as a group reorganisation under FRS102 using the hybrid accounting method, and was recorded at the book value of the net assets of Pinpep Media Limited on 5 April 2023.

Following the transfer, an amount of £671,948 was transferred from the cost of investment to goodwill, reflecting the value of goodwill transferred to the company. Following a dividend of £107,252 made to 72Point Ltd to transfer the remaining retained earnings balance, the cost of investment in Pinpep Media Limited was further reduced by £107,252 to reduce the carrying value to the amount of net assets remaining.

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	3,914,499	2,682,741
Amounts owed by group undertakings	114,942	1,492,077
Other debtors	2,623	8,792
Prepayments and accrued income	222,771	224,488
	<u>4,254,835</u>	<u>4,408,098</u>

14 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	311,100	295,476
Amounts owed to group undertakings	41,839	22,683
Corporation tax	32,772	234,225
Other taxation and social security	664,630	547,117
Other creditors	97,565	50,308
Accruals and deferred income	3,218,926	2,979,149
	<u>4,366,832</u>	<u>4,128,958</u>

15 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Other creditors	<u>241,200</u>	<u>-</u>

Other creditors reflect deferred consideration relating to the acquisition of subsidiaries.

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 Provisions for liabilities

	Notes	2024 £	2023 £
Dilapidation provision		8,000	-
Deferred tax liabilities	17	8,362	16,472
		<u>16,362</u>	<u>16,472</u>

Movements on provisions apart from deferred tax liabilities:

	Dilapidation provision £
At 1 April 2023	-
Additional provisions in the year	8,000
At 31 March 2024	<u>8,000</u>

A dilapidations provision has been recognised in respect of future expected dilapidations expenditure, payable on expiry of an office lease in September 2025. The amount provided represents management's initial estimate of future cash outflows should the lease not be renewed.

17 Deferred taxation

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

	Liabilities 2024 £	Liabilities 2023 £
Balances:		
Fixed asset timing differences	14,526	22,373
Short term timing differences	(6,164)	(5,901)
	<u>8,362</u>	<u>16,472</u>
Movements in the year:		2024 £
Liability at 1 April 2023		16,472
Credit to profit or loss		(8,110)
Liability at 31 March 2024		<u>8,362</u>

It is not possible to state the extent to which the deferred tax liabilities shown above will reverse within the next twelve months, as reversal is affected by multiple factors which cannot be reliably estimated.

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	152,178	135,803

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the year end, pension contributions of £24,655 (2023 - £23,602) were included in other creditors (note 14).

19 Share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

The company has one class of ordinary shares which carry full voting, dividend and capital distribution (including on winding up) rights. They do not carry any rights of redemption.

20 Reserves

Profit and loss reserves

Profit and loss reserves reflect the cumulative earnings of the company net of distributions to owners.

21 Operating lease commitments

Lessee

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

	2024 £	2023 £
Within one year	145,604	107,855
Between one and five years	60,668	152,795
	206,272	260,650

72POINT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

22 Related party transactions

The company has taken advantage of the exemption under Section 33 of FRS102 and has not disclosed details of transactions or balances between wholly-owned group companies.

Transactions with other related parties

72Point Inc was a 51% subsidiary of the company's parent SWNS Media Group Limited and is therefore not covered by the above exemption. SWNS Media Group Limited divested its shareholding in 72Point Inc on 28 February 2024, at which point 72Point Inc ceased to be a related party of the company. On the basis that 72Point Inc was a related party for the majority of the year, transactions with the company during the year have been detailed in full below.

During the year, the company recharged 72Point Inc £44,244 (2023 - £320,244) and 72Point Inc recharged the company £187,831 (2023 - £163,281). At the end of the year, in respect of these recharges, the company was owed £773 by 72Point Inc (2023 - £223 was owed by the company). The balance is interest free and there are no fixed repayment dates.

Directors' transactions

In the prior year £99 was due to the company from a director in respect of advances given in previous years. No interest was charged on the advance and it was considered repayable on demand. This balance has been repaid in full in the current year.

23 Ultimate controlling party

The parent company is SWNS Media Group Limited. The registered office of SWNS Media Group Limited is Media Centre, Emma Chris Way, Filton, Bristol, United Kingdom, BS34 7JU.

In the opinion of the directors, control of the company transferred to SWNS Media Group Limited when the company became part of the group headed by SWNS Media Group Limited on 3 April 2018.