

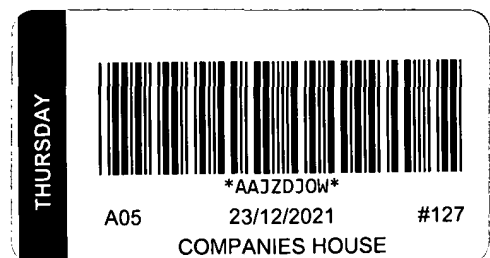
This Is Motif Limited

Annual Report and Financial Statements

Year Ended

31 March 2021

Company Number 02692105



This Is Motif Limited

Company Information

Director	V E Monk
Company secretary	V E Monk
Registered number	02692105
Registered office	25 West Tenter Street London E1 8DT
Independent auditor	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

This Is Motif Limited

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This Is Motif Limited

Strategic Report For the Year Ended 31 March 2021

The director presents her Strategic Report together with the audited financial statements for the year ended 31 March 2021.

Performance review

This is Motif Limited ("Motif") is a leading loyalty insights agency. We uncover consumer motivations, to help build brand loyalty and power business success.

The majority of Motif's clients are UK based, primarily in the financial, insurance, education, healthcare and hospitality sectors. Method neutral, Motif is a full-service agency with its own in-house data collection facilities as well as insight and data visualisation resources. It is headquartered in London.

In the financial year 2020-21, the company's turnover decreased by 12.0% year-on-year. This reduction is attributable to three key factors:

- The 2020 Coronavirus pandemic impacted revenues significantly as clients cancelled or delayed projects and/or had their budgets frozen or significantly reduced. Several clients had personnel who were furloughed or made redundant, requiring new relationships to be identified and nurtured. This resulted in programme spending being pushed into the fourth quarter of the year, and into the next financial year.
- The transition to online and SMS data collection methods from CATI continued through 2020 and continues still. Additionally, given the financial constraints for clients due to Covid-19, some have adopted a self-serve solution to their research needs. Here, Motif's involvement is focused more on SMS invitations, and/or analysis and reporting. The continued transition to online and SMS, which typically cost less to administer, plus the growth in self-serve research, has negatively impacted on data collection revenues. In order to align more closely to this transition in data collection, our Edinburgh call centre was closed in the summer of 2020.
- Sales conversion lead times, from initial contact to commission, have increased substantially in the past year, resulting in a slower sales pipeline against forecast expectations.

Encouragingly, although revenue has decreased, cost of sales has also fallen significantly when compared to the previous years' level. This is due to a number of factors:

- In response to the Coronavirus 2020 lockdown, we transitioned our CATI interviewers to work remotely. This was fully achieved within one week of the lockdown starting in March 2020. The move to remote working has reduced the associated costs of running an in-house call centre, including costs of recruiting interviewers, as "churn rates" have fallen dramatically since remote working has been introduced.
- The effect of Coronavirus also impacted our face-to-face qualitative work, which could not be conducted for most of 2020 due to Covid restrictions. The cost of sales associated with this fell, as qualitative interviewing was successfully transitioned to online.
- The transition from CATI to online data collection has shown significantly lower associated cost of sales.
- Throughout 2020-21, we have continued our ongoing investment in operational excellence and improved productivity processes: interviewing productivity has increased, as a result of remote working.

Administrative expenses have remained in line with forecast budget, which represents a reduction on the previous year due to certain non-recurring costs incurred in that year. The company also benefited from £211,045 of furlough receipts under the Government's Coronavirus Job Retention Scheme.

Despite the reduction in turnover, the impact of the Coronavirus and economic recession, the company returned a healthy 4.8% net profit before tax for the year.

This Is Motif Limited

Strategic Report (continued) For the Year Ended 31 March 2021

Risks and uncertainties

Covid-19 has clearly had an adverse impact on the company's performance since March 2020 and the continuing uncertainty over how the pandemic may develop represents a risk going forward. However, as discussed in the going concern section below, current indicators are that the situation is improving, and we now have a more flexible operating model to be able to respond to future challenges.

Covid-19 aside, the principal risks and uncertainties to the company continue to be the potential loss of a significant client or the non-recovery of a significant trade debt. Both these risks are currently mitigated by the continual strengthening of client relationships, a dedicated client satisfaction monitoring procedure, and well managed credit control procedures.

A further potential risk would be the reputational damage and revenue loss as a result of poor-quality research. To mitigate this, Motif continues to invest in data quality, including the introduction of automated processes.

Once again, Motif continues to be ISO20252 accredited for the thirteenth consecutive year.

Motif remains financially strong and able to withstand the above risks, as well as take advantage of the opportunities these can provide.

Employees

Employee involvement

The flow of information to staff has been maintained via our Teams channel, our internal intranet, weekly team meetings and six weekly company meetings.

Gender pay gap reporting

Motif is not legally required to report any Gender Pay Gap as set out in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 due to the number of employees as of 5 April 2020 being below the required threshold.

Disabled employees

Motif is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company.

Key performance indicators (KPIs)

The main key performance indicators monitored monthly by the management board are:

Gross profit margin performance

Gross profit margin measures the profit achieved on sales after accounting for the direct costs incurred on the research undertaken. Gross profit margin increased from 69.8% in 2019-2020 to 73.9% in the current year for the reasons previously set out in the performance review section of this report.

Key Accounts Performance (KAP)

KAP reports the monthly activity on key client accounts be this financial and non-financial. This provides a comparison against the strategic business plan and annual strategic key account plans and assists in resource planning.

This Is Motif Limited

Strategic Report (continued)
For the Year Ended 31 March 2021

Key performance indicators (KPIs) (continued)

Payroll to Revenue ratio

This KPI expresses permanent employee salaries as a percentage of revenue. For this financial year the percentage is 51.1% (2020 – 48.5%) which, though not within our determined safety zone, reflects our investment in senior personnel to drive forward our new proposition and growth target. We expect the payroll to revenue ratio to decrease in the next financial year.

Cash flow and debt management

Cash flow is monitored monthly by updating a rolling 9-month cash flow forecast. This enables the business to manage its liquidity risk by ensuring expenditure remains aligned with cash inflow. The company has effective cash management processes in place. Sales forecasts are monitored and refreshed monthly.

Future developments

Our plans for 2020-21 were to continue to solidify our positioning as a Loyalty Insights agency, and for significant revenue growth. Unfortunately, the Coronavirus pandemic significantly negatively impacted these ambitions. In addition, the uncertainty that Covid-19 brought, led to reduced investment in the R&D required to further develop our proposition, as we had planned.

As some degree of certainty has returned to the economy generally, Coronavirus is being better managed, and our clients have budgets to spend once again, we are confident of growth in 2021-22, and for a return to the investment in our offer development.

The hire of senior personnel has also led to a return to more aggressive business development and insight delivery. As such, we are anticipating a return to revenue and profit growth, based on the business success from our loyalty insights proposition.

This Is Motif Limited

Strategic Report (continued) For the Year Ended 31 March 2021

Going concern

In preparing the financial statements the director is required to assess the company's ability to continue to trade as a going concern for the foreseeable future. The director has performed this assessment giving due consideration to the company's historical and current trading and the impact of Covid-19 thereon, together with future projections.

In late March 2020, the UK Government ordered a lockdown as a result of the global pandemic caused by Covid-19. During these times non-essential businesses and organisations were not allowed to operate and individuals (other than essential workers or those undertaking essential business) were required to stay at home.

Covid-19 had a major impact on the 2020-21 revenue. Naturally new business opportunities declined, as prospective customers deferred and cancelled projects. However, despite this the company was able to return to profitability and retain its good liquidity and strong cash reserves throughout the year.

At the time of signing these accounts, Government and travel restrictions continue to ease and good progress has been made with the UK vaccination programme. There is evidence that the majority of our customers are recovering well, and research budgets have been unfrozen, although in some cases, reduced. The business has successfully adapted its working practices to now offer a full hybrid working environment, with the majority of employees mainly working from home, with occasional days in the office. The company continues to generate cash through tight cost control and working capital management. It also has healthy cash reserves to manage and mitigate any future uncertainties.

As a result, the director has concluded that the company will be able to continue in operation for at least twelve months from the date of signing these financial statements and therefore that it is appropriate to adopt the going concern basis of preparation for these financial statements.

This report was approved by the sole director on 17th December 2021



V E Monk
Director

This Is Motif Limited

Director's Report For the Year Ended 31 March 2021

The director presents her report together with the audited financial statements for the year ended 31 March 2021.

Business review

A review of the business and its principal risks and uncertainties is set out in the Strategic Report on pages 1 - 4 of these financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £219,863 (2020 - loss of £132,910).

The director does not propose a dividend for the year (2020 - £Nil).

Director

The director who served during the year and to the date of this report was:

V E Monk

Information provided in the Strategic Report

The following information, which is required to be disclosed as part of the Director's Report, has been included within the Strategic Report:

- Information regarding employee involvement and employment of disabled persons.
- Information relating to likely future developments in the business.

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales. It is company policy to assess the credit risk, including taking into account credit ratings, of new customers before entering contracts. Each new customer is analysed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating 'A' are accepted.

Liquidity risk

Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The board receives rolling 9-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Qualifying third party indemnity provisions

The company has put in place a qualifying third party indemnity provision for its director.

This Is Motif Limited

Director's Report (continued) For the Year Ended 31 March 2021

Disclosure of information to auditor

The director at the time when this Director's Report is approved has confirmed that:

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

Subsequent events

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

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the sole director on 17th December 2021.



V E Monk
Director

This Is Motif Limited

Director's Responsibilities Statement For the Year Ended 31 March 2021

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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.

This Is Motif Limited

Independent Auditor's Report to the Members of This Is Motif Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its 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.

We have audited the financial statements of This is Motif Limited ("the company") for the year ended 31 March 2021 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

This Is Motif Limited

Independent Auditor's Report to the Members of This Is Motif Limited (continued)

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in advance in accordance with applicable legal requirements.

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 Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the Director's Responsibilities Statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

This Is Motif Limited

Independent Auditor's Report to the Members of This Is Motif Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.
- We considered the company's compliance with laws and regulations that have a significant impact on the financial statements including, but not limited to, UK Accounting Standards, company law and certain requirements from UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements.
- We designed audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included, but were not limited to, agreement of the financial statement disclosures to underlying supporting documentation and making enquiries of management and the director.
- We addressed the risk of management override of internal controls, including testing a sample of journal entries based on risk criteria and evaluating whether there was evidence of bias in these entries of other accounting estimates made in the preparation of the financial statements that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

This Is Motif Limited

Independent Auditor's Report to the Members of This Is Motif Limited (continued)

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.

DocuSigned by:
Christopher Wingrave
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Christopher Wingrave (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

Date: 20 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

This Is Motif Limited

Statement of Comprehensive Income For the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	4,606,398	5,236,506
Cost of sales		(1,200,394)	(1,578,917)
Gross profit		3,406,004	3,657,589
Administrative expenses		(3,401,258)	(3,795,191)
Other operating income		211,045	-
Operating profit/(loss)	5	215,791	(137,602)
Income from other fixed asset investments	8	924	924
Interest receivable and similar income	9	583	5,681
Revaluation of fixed asset investments	12	2,565	-
Profit/(loss) before tax		219,863	(130,997)
Tax on profit/(loss)	10	-	(1,913)
Profit/(loss) for the financial year		219,863	(132,910)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 15 to 27 form part of these financial statements.

This Is Motif Limited
Registered number: 02692105

Statement of Financial Position
As at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		50,792		24,777
Investments	12		14,877		12,312
			65,669		37,089
Current assets					
Debtors	13	2,007,200		2,741,392	
Cash at bank and in hand		2,559,561		1,576,584	
			4,566,761		4,317,976
Creditors: amounts falling due within one year	14	(928,691)		(933,966)	
Net current assets			3,638,070		3,384,010
Total assets less current liabilities			3,703,739		3,421,099
Provisions for liabilities					
Other provisions	16		(243,774)		(180,997)
Net assets			3,459,965		3,240,102
Capital and reserves					
Called up share capital	17		77		77
Share premium account	18		90,241		90,241
Capital redemption reserve	18		8		8
Profit and loss account	18		3,369,639		3,149,776
Shareholders Funds			3,459,965		3,240,102

The financial statements were approved and authorised for issue by the sole director on 17th December 2021.



V E Monk
Director

The notes on pages 15 to 27 form part of these financial statements.

This Is Motif Limited

Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	77	90,241	8	3,149,776	3,240,102
Comprehensive income for the year					
Profit for the year	-	-	-	219,863	219,863
Total comprehensive income for the year	-	-	-	219,863	219,863
At 31 March 2021	77	90,241	8	3,369,639	3,459,965

Statement of Changes in Equity For the Year Ended 31 March 2020

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2019	77	90,241	8	3,282,686	3,373,012
Comprehensive income for the year					
Loss for the year	-	-	-	(132,910)	(132,910)
Total comprehensive income for the year	-	-	-	(132,910)	(132,910)
At 31 March 2020	77	90,241	8	3,149,776	3,240,102

The notes on pages 15 to 27 form part of these financial statements.

This Is Motif Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

1. General information

This Is Motif Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and principal activities are set out in the Strategic Report and the Director's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The presentational and functional currency of these financial statements is GBP. Values have been rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

In preparing the financial statements the director is required to assess the company's ability to continue to trade as a going concern for the foreseeable future. The director has performed this assessment giving due consideration to the company's historical and current trading and the impact of Covid-19 thereon, together with future projections.

In late March 2020, the UK Government ordered a lockdown as a result of the global pandemic caused by Covid-19. During these times non-essential businesses and organisations were not allowed to operate and individuals (other than essential workers or those undertaking essential business) were required to stay at home.

Covid-19 had a major impact on the 2020-21 revenue. Naturally new business opportunities declined, as prospective customers deferred and cancelled projects. However, despite this the company was able to return to profitability and retain its good liquidity and strong cash reserves throughout the year.

At the time of signing these accounts, Government and travel restrictions continue to ease and good progress has been made with the UK vaccination programme. There is evidence that the majority of our customers are recovering well, and research budgets have been unfrozen, although in some cases, reduced. The business has successfully adapted its working practices to now offer a full hybrid working environment, with the majority of employees mainly working from home, with occasional days in the office. The company continues to generate cash through tight cost control and working capital management. It also has healthy cash reserves to manage and mitigate any future uncertainties.

As a result, the director has concluded that the company will be able to continue in operation for at least twelve months from the date of signing these financial statements and therefore that it is appropriate to adopt the going concern basis of preparation for these financial statements.

This Is Motif Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102;

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of NRM New Co Limited as at 31 March 2021 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Tangible fixed assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold land and buildings	-	20%
Fixtures and fittings	-	33%

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

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

This Is Motif Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.6 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

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

2.7 Valuation of investments

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss.

2.8 Debtors

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

2.9 Amounts recoverable on contracts

Amounts recoverable on contracts represent an excess of the value of work carried out to the reporting date over cumulative payments on accounts. In determining the amounts at which contracts are included in the financial statements, contracting activity is reviewed on an individual contract by contract basis.

2.10 Cash and cash equivalents

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

2.11 Creditors

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

This Is Motif Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.12 Operating leases: the company as lessee

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

2.13 Pensions

Defined contribution pension plan

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

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

2.14 Interest income

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

2.15 Provisions for liabilities

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

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

When payments are eventually made, they are charged against the provision carried in the statement of financial position.

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Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.16 Current and deferred taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.17 Government grants

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ("Furlough").

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Notes to the Financial Statements For the Year Ended 31 March 2021

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

In preparing these financial statements, the director has had to make the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Stage of completion on long term contracts

In determining the amounts of income and profits on long-term contracts to be recognised in the financial year, factors such as costs incurred to date, estimated costs to complete, risks associated with the contract and past experience of similar contracts are considered.

4. Turnover

Turnover is wholly attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	4,602,880	5,160,680
Rest of Europe	3,518	75,826
	<u>4,606,398</u>	<u>5,236,506</u>

This Is Motif Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	18,318	29,619
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	20,100	21,624
Fees payable to the company's auditor for non-audit services	7,970	5,335
Exchange differences	-	1,445
Defined contribution pension cost	126,105	101,638
Operating lease rentals	318,994	277,499
Government grants - furlough receipts	211,045	-
	211,045	-

6. Employees

Staff costs, including director's remuneration, were as follows:

	2021	2020
	£	£
Wages and salaries	3,042,565	3,567,279
Social security costs	205,509	266,673
Cost of defined contribution scheme	126,105	101,638
	3,374,179	3,935,590

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

	2021	2020
	No.	No.
Permanent staff	47	54
Temporary workers	103	219
	150	273

7. Director's remuneration

	2021	2020
	£	£
Director's emoluments	77,860	108,306
	77,860	108,306

This Is Motif Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

8. Income from fixed assets investments

	2021 £	2020 £
Income from fixed asset investments	924	924
	924	924

9. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	583	5,681
	583	5,681

10. Taxation

	2021 £	2020 £
Corporation tax		
Adjustments in respect of previous periods	-	1,913
Total current tax	-	1,913

Factors affecting tax charge for the year

The tax assessed for the year varies from the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	219,862	(130,997)
	219,862	(130,997)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	41,774	(24,889)
Effects of:		
Expenses not deductible for tax purposes	352	3,400
Income not deductible for tax purposes	(663)	(176)
Deferred tax not recognised	(41,933)	20,243
Fixed asset differences	149	672
Other permanent differences	321	750
Adjustments to tax charge in respect of prior periods	-	1,913
Total tax charge for the year	-	1,913

This Is Motif Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

10. Taxation (continued)

Factors that may affect future tax charges

The company has tax losses of £385,507 (2020 - £34,241) which are available to offset against future taxable profits. No deferred tax asset has been recognised in respect of those losses due to uncertainty over the timing of future taxable profits.

A change in the main UK corporation tax rate was announced in the Budget on 3 March 2021, but as this new law was enacted after the reporting date its effects are not included in these financial statements. From 1 April 2023 the main corporation tax rate will increase from 19% to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Where the company's profits fall between £50,000 and £250,000, the lower and upper limits, it will be able to claim an amount of marginal relief providing a gradual increase in the corporation tax rate.

11. Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020	291,847	539,009	830,856
Additions	-	44,333	44,333
At 31 March 2021	291,847	583,342	875,189
Depreciation			
At 1 April 2020	284,335	521,744	806,079
Charge for the year	2,834	15,484	18,318
At 31 March 2021	287,169	537,228	824,397
Net book value			
At 31 March 2021	4,678	46,114	50,792
At 31 March 2020	7,512	17,265	24,777

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Notes to the Financial Statements For the Year Ended 31 March 2021

12. Fixed asset investments

	Listed investments £
Valuation	
At 1 April 2020	12,312
Revaluation	2,565
At 31 March 2021	14,877

13. Debtors

	2021 £	2020 £
Trade debtors	48,447	596,992
Amounts owed by group undertakings	1,404,545	1,404,624
Other debtors	27,418	11,615
Prepayments and accrued income	135,364	342,736
Amounts recoverable on long term contracts	391,426	385,425
	2,007,200	2,741,392

Amounts owed by group undertakings are unsecured, non interest bearing and repayable on demand.

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	48,750	-
Trade creditors	153,052	238,837
Other taxation and social security	-	74,245
Other creditors	66	167
Accruals and deferred income	726,823	620,717
	928,691	933,966

This Is Motif Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

15. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	48,750	-

16. Provisions

	Dilapidations provision £	Onerous Lease £	Total £
At 1 April 2020	180,997	-	180,997
Charged to profit or loss	49,004	13,773	62,777
At 31 March 2021	230,001	13,773	243,774

17. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,326 A ordinary shares of £0.01 each	13	13
6,400 Z ordinary shares of £0.01 each	64	64
	77	77

The Z shares have exclusive rights on capital distributions up to £600,000. Distributions exceeding £600,000 are pro-rated between A and Z shares. The shares rank pari passu in respect of all other rights.

This Is Motif Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

18. Reserves

The company's capital and reserves are as follows:

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £126,105 (2020 - £101,638). Contributions totalling £Nil (2020 - £Nil) were payable to the fund at the reporting date.

20. Commitments under operating leases

At 31 March 2021, the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	146,992	277,018
Later than 1 year and not later than 5 years	-	88,333
	<u>146,992</u>	<u>365,351</u>

21. Related party transactions

The company is a wholly owned subsidiary of NRM New Co Limited and has taken advantage of the exemption conferred by Section 33 Related Party Disclosures paragraph 33.1A not to disclose transactions with NRM New Co Limited.

This Is Motif Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

22. Controlling party

The company is a wholly owned subsidiary of NRM New Co Limited which is the ultimate parent company incorporated in England and Wales.

The largest and smallest group on which the results of the company are consolidated is that headed by NRM New Co Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.