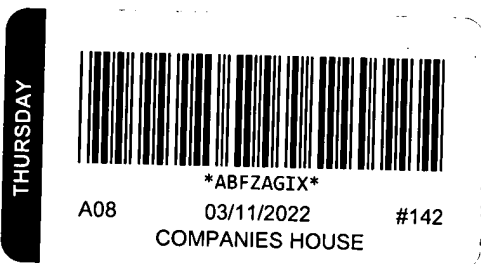


**MASS CONSULTANTS LIMITED**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2022**



Registered No. 01705804

**MASS CONSULTANTS LIMITED**  
**01705804**  
**CONTENTS OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 30 April 2022**

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**MASS CONSULTANTS LIMITED**  
**01705804**  
**COMPANY INFORMATION**  
**For the year ended 30 April 2022**

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**DIRECTORS**

C A Stanley  
A S Thomis  
S R Walther

**SECRETARY**

H Maybury

**REGISTERED OFFICE**

Enterprise House  
Great North Road  
Little Paxton  
St Neots  
Cambridgeshire  
PE19 6BN

**REGISTERED NUMBER**

01705804

**AUDITOR**

RSM UK AUDIT LLP  
Chartered Accountants  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
Buckinghamshire  
MK9 1BP

## **BUSINESS REVIEW**

MASS Consultants Limited (the "Company") had a successful year with strong performance to maintain the revenue and profit of the pre-pandemic year. Our cash position remains healthy and we have a strong order book and pipeline, having won over £33.9m of orders in the year.

In Defence and Security, we have retained or expanded our in-service support contracts, which provide critical support to front line forces and UK strategic operations including the provision of exercise support to the UK's Permanent Joint Forces Command, NATO, UK Land, Air and Maritime Headquarters. In Education, we have continued to provide ICT services and solutions to schools and colleges.

As in previous years, pressure remains on UK public spending, and Defence reform is set to continue for some time. At the same time, worldwide events have given rise to new opportunities, although the timing of export orders continues to be less predictable. The occurrence of COVID-19 and now the Ukraine crisis have also delayed and made both contract timings and budgets much less predictable

In Electronic Warfare (EW) Operational Support, we have a strong order book of training courses and specialist EW technical services to customers in Asia, Europe, and the Middle East throughout the year. However, due to COVID restrictions the ability to deliver these course has been severely limited. Our market lead in independent EW operational support and training services across land, air, maritime and joint domains in both the UK and international markets has continued with some of this expertise being recognised as unique outside of government organisations. Our independence enables us to provide impartial support, training and tools and to build strategic partnerships with platform prime contractors, including BAE Systems and Leonardo. Our unique expertise is increasingly important as a discriminator for such companies in their platform and equipment sales activities.

We are proud of the excellent reputation that MASS retains with our customers and partners. We continue to receive excellent customer references, reflecting the high calibre of our people and capability alike. We have been investing in research and technology development, particularly in the areas of cyber security and EW, and expect to see future benefits from this.

### **FUTURE DEVELOPMENTS**

Looking forward, digital services continue to be an important part of our growth and our pedigree spanning almost 20 years to design and support secure networks at the highest levels, our work in Information Assurance, and novel research projects in this field help to demonstrate our competence in this area. We were one of the first organisations to be accredited to Cyber Essentials Plus, and are an approved assessment and accrediting body for others. We have now broadened the scope of our digital services offerings and created an internal group focussing on these activities.

In EW, we continue to have a strong order pipeline, with around two thirds of these relating to export markets; although by their nature, coupled with worldwide COVID restrictions, the timing of these can be hard to predict.

Despite a degree of uncertainty and tightening of government spending both domestically and in some export markets, we continue to see the potential for cautious growth across the business. Combined with our capable people, excellent customer relationships, and good prospects, the outlook for the coming years is positive.

### **PRINCIPAL ACTIVITIES**

The Company's core business is in Electronic Warfare (EW) operational support, digital services, Training support and Strategic Systems. Now in its 40th year, the Company is predominantly in the Defence and Security market, with the remainder in commercial ICT reliant businesses.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Revenue**            The Company takes a prudent approach to the recognition of revenue. Any work done at risk (i.e. before contractual agreement) is minimal and controlled by management through authorisation at the appropriate level and regular review. The Company manages payment risk through informed choice of customer and effective control processes.

**Operations**        The primary operational risk is to maintain the appropriate level and skill of employees in order to deliver successfully to customers and maximise profitability. In order to do so, the level of utilisation of employees is reviewed regularly by management, both in terms of past performance and future tasks. The Company mitigates this risk by employing sub-contractors where appropriate in order that specific skills are contracted as needed; in order to maximise the effectiveness of this measure, the Company is active in maintaining a database of skilled sub-contractors. All sub-contractors are subject to checks both before and during delivery to ensure they are appropriately incorporated and delivering to a high standard.

The Company's contracts with customers are either priced based upon the level of resources expended or on a fixed-price basis. Both types of contracts are reviewed in detail on a regular basis; profit is taken in a prudent manner, reflecting risk and level of future costs expected.

**Treasury**            The Company takes a prudent approach to financial instruments, which is governed by Cohort plc group policy.

With regard to cash flow, performance and future expectations are reviewed in detail on a regular basis to ensure that the business has maximised its working capital position and maintains adequate funds.

Further to the mitigating activities above, the Company maintains appropriate insurance cover in respect of legal actions against the directors as well as against material loss or claims against the Company and the adequacy of cover is reviewed regularly.

## **KEY PERFORMANCE INDICATORS (KPIs)**

The main KPI for the company is order book viability measured as orders received which are deliverable in the next financial year over the total forecast sales for the year. This provides a measure of the level of confidence in achieving future revenue forecasts for that year. Currently cover is 61% on forecast revenue of £44.1m. (2021: 58% on £42.5m)

## **SECTION 172 STATEMENT**

The Company has its own board and management team which meets regularly. Monthly reporting by Mass Consultants Ltd to Cohort Plc group, facilitates good oversight and communication with stakeholders. It also enables a continuous exchange of information on engagement with stakeholders and highlights the need to act fairly between members as a whole whilst meeting other s172 considerations at both Cohort Plc group and the Company level. When making a decision, the Directors, together with the Company management team, take into consideration the Company's mission and core values, together with its strategic priorities.

In addition to our activities engaging with stakeholders outlined above, the following key activities undertaken by the Company Directors support in fulfilling its duties under s172:

### *Strategy planning*

The Directors and management conduct a detailed review of the strategy for the Company on an annual basis. As part of this exercise, the long-term opportunities and risks for the business and how best to manage these for the benefit of all stakeholders is considered.

### *Investment in our people*

The success of our business depends on our ability to deliver innovative solutions to our customers. This drives us to attract the best talent and to nurture this ability within our employees, providing them with a stimulating workplace and career development and supporting the creation of long-term value for our business.

The Company has its own internal recruitment team and has invested in career mapping and benchmarking systems to ensure we are keeping up with the employment market trends to retain and reward our employees.

### *Focus on delivering long term value*

We are committed to delivering value to shareholders and ensuring that they benefit from our success. This is achieved through our business model and strategic plan. Our strategy is clearly defined and communicated across our business by face to face briefings from the MD.

### *Managing risk*

Our effective risk management framework enables the Directors and management team to take risk based decisions which are well understood and managed within our strategic guidelines to deliver growth above target market and to protect shareholder value.

### *Building strong relationships with our customers*

The Company global customers depend on us to be their trusted partner to deliver reliably and on time. We have regular contact with our customers at many levels within the organisation.

There are regular contract status reviews at project level. Business development meetings are held at various levels and senior engagement meetings are held by the Business Development Directors and Managing Director. These meetings happen on a global basis depending on the customer location. The majority of Mass new business is through trusted relationships with its customers allowing both follow on and expansion of the current contracts.

*Working as a team with our suppliers and other partners*

Our suppliers are critical to our business, as we rely on them for specific elements of our technical and product offering. We often secure business through teaming and partnering with other suppliers. We ensure there is an appropriate framework for managing these arrangements. This includes close liaison and regular review meetings, good project management and ensuring suppliers are paid promptly for the goods and services received. We work with agents and in-country representatives to facilitate the export of our products and services. We conduct rigorous due diligence on these partners to ensure that they comply with our ethical and legal requirements and liaise with them frequently to maintain contact.

*Supporting our communities*

Mass supports the local community through charitable donations and sponsorship of STEM projects in local schools.

*Caring for the Environment*

The Directors consider the impact of our operations on the community and environment. We comply with reporting requirements under the Streamlined Energy and Carbon Reporting (SECR). The Cohort Group's SECR Report can be viewed in Cohort plc's 2022 Annual Report and Accounts.

*Ethical Conduct*

The Directors and management team place great emphasis on maintaining high standards of business conduct and our culture encourages our people to act with the highest ethical standards and integrity at all times. This is supported by the policies and processes we have implemented including our anti-bribery and corruption policy and modern slavery policy. We ensure clear communication of our policies through our employee induction, training, management briefings, our employee handbook and our intranet. Our policies are reviewed regularly to ensure they are in line with best practice.

Approved by the Board of Directors on 14 October 2022 and signed by order of the Board.



C A Stanley  
Director

**MASS CONSULTANTS LIMITED**  
**01705804**  
**REPORT OF THE DIRECTORS**  
**For the year ended 30 April 2022**

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The directors of MASS Consultants Limited (Registered Company Number 01705804) (the "Company") present their report and financial statements for the year ended 30 April 2022.

**Results and Dividends**

The Company has performed well with turnover of £38.5m (2021: £39.6m) and operating profit of £8.3m (2021: £8.1m).

The closing order book stands at £73m.

A dividend of £13.0m (2021: £4.2m) was paid to the holding company, MASS Limited.

**Contributions**

During the year the Company made charitable donations of £500 (2021: £nil) to local and military charities. The Company made no political donations during the year (2021: £nil).

**Employee Involvement**

The flow of information to and from staff has been maintained by our staff newsletters, intranet, notices and regular presentations. Members of the management team regularly visit staff sites and discuss matters of current interest and concern to the business with members of staff.

**Disabled Persons**

The policy of the Company is to offer the same opportunities to disabled people as to all others in respect of recruitment and career advancement, provided their disability does not prevent them from carrying out their required duties. Employees who become disabled will, wherever possible, be retained, rehabilitated and, where necessary, retrained.

**Research and Development**

During the year the Company incurred and expensed £nil of research and development costs (2021: £2.5m).

**Directors**

The directors who have served during the period from 1 May 2021 to 30 April 2022 and since the year end are as follows:

C A Stanley  
A S Thomis  
S R Walther

**Streamlined Energy and Carbon reporting**

The streamlined energy and carbon reporting figures of the company are included within the consolidated financial statements of Cohort plc which are available from Companies House. As such, the company qualifies for the subsidiary exemption under these regulations and therefore the streamlined energy and carbon reporting figures of the company have not been disclosed in these financial statements.

**Statement in Respect of Information Provided to the Auditor**

So far as each of the directors in office at the time this report is approved are aware:

- i. There is no relevant information of which the auditor is unaware; and
- ii. They have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Other Information**

An indication of likely future developments in the business and particulars of significant events (if applicable) which have occurred since the end of the financial year have been included in the Strategic Report (pages 2 to 6).

**Auditors**

RSM UK Audit LLP was appointed as auditor to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing their re-appointment was passed by the Board on 27 September 2022.

Approved by the Board of Directors on 14 October 2022 and signed by order of the Board.



C A Stanley  
Director

Enterprise House  
Great North Road  
Little Paxton  
St Neots  
Cambridgeshire  
PE19 6BN

**MASS CONSULTANTS LIMITED**  
**01705804**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**For the year ended 30 April 2022**

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The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101
- have been followed, subject to any material departures disclosed and explained in the
- financial statements;
- 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 directors 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. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASS CONSULTANTS LIMITED**  
**For the year ended 30 April 2022**

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**Opinion**

We have audited the financial statements of Mass Consultants Limited (the 'company') for the year ended 30 April 2022 which comprise Profit and Loss Account, Balance Sheet, 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 101 "Reduced Disclosure Framework" (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 30 April 2022 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.

**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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASS CONSULTANTS LIMITED**  
**For the year ended 30 April 2022**

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**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.

**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 9, 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASS CONSULTANTS LIMITED**

**For the year ended 30 April 2022**

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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 frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- 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.

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 101 "Reduced Disclosure Framework", 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 and tax provisions.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to information and product security. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected legal and professional expenditure.

The audit engagement team identified the risk of management override of controls, revenue recognition and recoverability of receivables and contract assets 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:

In respect of management override we tested manual journal entries and other adjustments made in preparation of the financial statements, reviewing accounting estimates for bias and evaluate whether the circumstances producing bias, if any, represent a risk of material misstatement and evaluating whether the business rationale in relation to significant, unusual transactions and transactions entered into outside the *normal course of business* suggest that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

In respect of revenue recognition we reviewed managements' assessment of the performance obligations and transaction price in the contracts sampled to ensure this is in accordance with IFRS 15, challenged management regarding significant judgements and estimates where applicable and performed tests of detail on a sample of accrued and deferred revenue items to check the items are accounted for in accordance with managements' revenue recognition policy as well as a consideration of any contract cost assets recognised in relation to the contract.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASS CONSULTANTS LIMITED**  
**For the year ended 30 April 2022**

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In respect of the recoverability of receivables and contract assets we performed tests of detail on a sample of customer debtors at year end and reviewed their recoverability by agreeing the post year end payment made by the customer to check that the valuation of receivables and contract assets was appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

*RSM UK AUDIT LLP*

Richard Bartlett-Rawlings (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
The Pinnacle, 170 Midsummer Boulevard  
Milton Keynes  
Buckinghamshire  
MK9 1BP

Date..2 November 2022.....

**MASS CONSULTANTS LIMITED**  
**01705804**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 30 April 2022**

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	Notes	2022 £000	2021 £000
Turnover	4	38,511	39,557
Cost of sales		<u>(22,609)</u>	<u>(23,795)</u>
<b>GROSS PROFIT</b>		<b>15,902</b>	<b>15,762</b>
Administrative expenses		<u>(7,605)</u>	<u>(7,706)</u>
<b>OPERATING PROFIT</b>	5	<b>8,297</b>	<b>8,056</b>
Interest payable	8	<u>(64)</u>	<u>(65)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>8,233</b>	<b>7,991</b>
Tax on profit	9	<u>(1,550)</u>	<u>(1,552)</u>
<b>PROFIT FOR THE YEAR</b>		<b>6,683</b>	<b>6,439</b>

There was no other comprehensive income in either the current year nor prior year.

The Company's activities were all in respect of continuing operations.

The accompanying notes on pages 17 to 37 form part of the financial statements.

**MASS CONSULTANTS LIMITED**  
**01705804**  
**BALANCE SHEET**  
**For the year ended 30 April 2022**

	Notes	2022 £000	2021 £000
<b>FIXED ASSETS</b>			
Tangible assets	11	4,130	4,061
<b>CURRENT ASSETS</b>			
Stocks	12	21	-
Debtors	13	8,199	9,954
Cash and cash equivalents		23,774	27,161
		<u>31,994</u>	<u>37,115</u>
<b>Creditors: amounts falling due within one year</b>	15	<b>(9,480)</b>	<b>(8,377)</b>
<b>NET CURRENT ASSETS</b>		<b>22,514</b>	<b>28,738</b>
<b>Total assets less current liabilities</b>		<u><b>26,644</b></u>	<u><b>32,799</b></u>
<b>Creditors: amounts falling due in more than one year</b>	16	<b>(1,609)</b>	<b>(1,546)</b>
<b>NET ASSETS</b>		<u><b>25,035</b></u>	<u><b>31,253</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	48	48
Share premium account	18	107	107
Capital redemption reserve	18	131	131
Capital contribution	18	314	319
Profit and loss account	18	24,435	30,648
<b>SHAREHOLDERS' FUNDS</b>		<u><b>25,035</b></u>	<u><b>31,253</b></u>

The accompanying notes on pages 17 to 37 form part of the financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 14 October 2022.

Signed on behalf of the Board of Directors



.....  
C A Stanley  
Director  
(Company No. 01705804)

**MASS CONSULTANTS LIMITED**  
**01705804**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 April 2022**

	Called up share capital £000	Share Premium Account £000	Redemption Capital Reserve £000	Capital contribution £000	Profit and loss account £000	Total equity £000
<b>At 1 May 2020</b>	<b>48</b>	<b>107</b>	<b>131</b>	<b>293</b>	<b>28,300</b>	<b>28,879</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	6,439	<b>6,439</b>
Dividends paid	-	-	-	-	(4,200)	<b>(4,200)</b>
Transfer of capital contribution on vesting of options	-	-	-	(109)	109	-
Charge in respect of share- based payments	-	-	-	139	-	<b>139</b>
Movement in deferred tax	-	-	-	(4)	-	<b>(4)</b>
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	26	(4,091)	<b>(4,065)</b>
<b>At 30 April 2021</b>	<b>48</b>	<b>107</b>	<b>131</b>	<b>319</b>	<b>30,648</b>	<b>31,253</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	6,683	<b>6,683</b>
Dividends paid	-	-	-	-	(13,000)	<b>(13,000)</b>
Transfer of capital contribution on vesting of options	-	-	-	(104)	104	-
Charge in respect of share- based payments	-	-	-	178	-	<b>178</b>
Movement in deferred tax	-	-	-	(79)	-	<b>(79)</b>
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	(5)	(12,896)	<b>(12,901)</b>
<b>At 30 April 2022</b>	<b>48</b>	<b>107</b>	<b>131</b>	<b>314</b>	<b>24,435</b>	<b>25,035</b>

The accompanying notes on pages 17 to 37 form part of the financial statements.

## **1. GENERAL INFORMATION**

MASS Consultants Limited (the "Company") is a private limited company, limited by shares, registered, incorporated, and domiciled in England and Wales. The registered office is:

Enterprise House  
Great North Road  
Little Paxton  
St Neots  
Cambridgeshire  
PE19 6BN

The Registration number (01705804) can be found on the company information page.

The principal activities of the Company can be found within the strategic report (page 3).

## **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 101: Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements the Company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU ("IFRS") amended where necessary in order to comply with the Companies Act 2006.

Under FRS 101, the Company has chosen to apply the recognition and measurement provisions of International Accounting Standard ('IAS') 27 'Separate Financial Statements', as endorsed by the European Union ('EU').

### **2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The consolidated financial statements of Cohort Plc (the 'Group') are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Cohort plc, 1 Waterside Drive, Arlington Business Park, Theale, Reading, RG7 4SW. As such the Company is 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 under FRS 101 available in respect of:

- The requirements of IAS 7 *Statement of Cash Flows*.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);

**2. ACCOUNTING POLICIES** (*continued*)

**2.2 Financial reporting standard 101 - reduced disclosure exemptions** (*continued*)

- 38A (requirement for minimum of two primary statements, including cash flow statements);
- 38B-D (additional comparative information);
- 111 (statement of cash flows information); and
- 134-136 (capital management disclosures).
- The requirements of IFRS 2 *Share based Payments* paragraphs 45(b) and 46 to 52, that include the effect of the share-based payment arrangements on the entity's profit or loss and its financial position.
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24 Related Party Disclosures, to disclose related party transactions entered into between two or more members of the Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements, to present comparative information in respect:
  - o Paragraph 79(a)(iv) of IAS 1; and
  - o Paragraph 73(e) of IAS 16 of Property, Plant and Equipment
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Information relating to new IFRS standards which have been issued but which are not yet effective, including an assessment of the possible impact that it will have when it is adopted for the first time (IAS 8.30-31).
- The requirements of paragraph 52 and 58 of IFRS 16 Leases in respect of a single lease disclosure note and detailed maturity analysis, respectively.
- Certain disclosures required of IFRS 13 Fair Value Measurement, paragraph 91 to 99 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**2.3 Going concern**

The Company held a strong position at year end with, £23,774k of cash, net current assets of £23,514k and net assets of £25,035k. The going concern assessment of the Company takes into account its participation in the Cohort Plc UK Group banking arrangement. This is a facility with NatWest and Lloyds for £40m which is due for renewal in November 2022. The facility was renewed on 18 July for £50m with NatWest, Lloyds and Commerzbank (the latter added to the syndicate during the renewal process). At 30 April 2022 £29.4m of this facility was drawn on leaving £10.6m available to the Group, of which the Company is able to participate for overdraft purposes.

**2. ACCOUNTING POLICIES** *(continued)*

**2.3 Going concern** *(continued)*

The Company's forecasts and projections consider the reasonably possible changes in trading performance (including any impact of COVID-19). All outcomes show that the Company should be able to operate within the level of its current facilities.

The Company has prepared forecasts which go beyond 12 months of the approval date of these accounts and the directors consider the going concern assessment for the Company to be appropriate.

**2.4 Foreign Currencies**

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency), which is currently sterling.

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

**2.5 Revenue**

***Revenue recognition on fixed-price contracts***

The judgement applied in recognising revenue on a fixed-price contract is made by reference to the cost incurred, including contingency for risk. The Company uses best estimates in applying this judgement in line with IFRS15.

***Cost contingency on fixed-price contracts***

In addition to the judgement applied to revenue recognition, the cost of delivering a contract to represents the actual costs incurred and committed, plus an estimate of cost contingency for risk still present in the contract at that stage. This cost contingency takes account of the stage that the contract has reached and any judgement and uncertainty remaining to deliver the remainder of the contract. It is usual for these cost contingencies to reduce as the contract progresses and risk and uncertainty reduces.

**2. ACCOUNTING POLICIES** *(continued)*

**2.5 Revenue** *(continued)*

**Revenue and profitability**

The Company has applied IFRS 15 'Revenue from Contracts with Customers'. Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the Company to customers in exchange for consideration in the ordinary course of the Company's activities. Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the Company determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date.

The Company has determined that most of its contracts satisfy the point in time criteria, either because the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs (typically services or support contracts) or the Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date (typically development or production contracts).

For each performance obligation to be recognised over time, the Company recognises revenue using an input method, based on costs incurred in the period. Revenue and attributable margin are calculated by reference to estimates of transaction price and total expected costs to complete the contract, after making suitable allowances for technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired. The Company has determined that this method appropriately depicts the Company's performance in transferring control of the goods and services to the customer.

If over time the criteria for revenue recognition are not met, revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment, for example, on delivery.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

**2. ACCOUNTING POLICIES** *(continued)*

**2.6 Provisions**

The Company makes estimates of provisions for existing commitments arising from past events. In estimating these provisions, the Company makes judgements as to the quantity and likelihood of the liability arising. Certain provisions require more judgement than others. In particular, warranty provisions and contract loss provisions have to take account of future outcomes arising from past deliveries of products and services. In estimating these provisions, the Company makes use of management experience, precedents and specific contract and customer issues.

**2.7 Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

**2.8 Tangible Fixed Assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Right of use asset	: over the life of the lease
Buildings	: 2% p.a. on cost
Vehicles	: 25% p.a. on cost
<i>Computers and Machinery</i>	
- Computer equipment and software	: 20% - 50% p.a. on cost
- Office equipment	: 20% p.a. on cost
- Furniture and equipment	: 20% p.a. on cost

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

## **2. ACCOUNTING POLICIES** *(continued)*

### **2.9 Leases**

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### ***As a lessee***

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the lease term or useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

**2. ACCOUNTING POLICIES** *(continued)*

**2.9 Leases** *(continued)*

***Short-term leases and leases of low-value assets***

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the life of the lease.

**2.10 Non-derivative financial instruments**

Non-derivative financial instruments comprise of trade and other debtors, cash and cash equivalents and trade and other creditors.

***Trade & other debtors***

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Long-term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording revenue and related costs as contract activity progresses. Revenue is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which revenue exceeds payments on account is classified as "contract assets" and included within trade and other receivables; to the extent that payments on account exceed relevant revenue, the excess is included as a Contract Liability within trade and other payables. The amount of long-term contracts, at cost net of amounts transferred to cost of sales, costs incurred plus recognised profits, less provision for foreseeable losses and payments on account not matched with revenue, is included within trade and other receivables as "Contract Assets".

***Trade and other creditors***

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

## **2. ACCOUNTING POLICIES** *(continued)*

### **2.11 Impairment (excluding stocks and deferred tax assets)**

#### ***Financial assets (including trade and other debtors)***

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### ***Non-financial assets***

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

### **2.12 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

**2. ACCOUNTING POLICIES** *(continued)*

**2.12 Taxation** *(continued)*

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**2.13 Warranty**

The Company undertakes a number of contracts where contractual and/or third-party obligations arise as a result of delivering the contract. This provision includes amounts for losses on contracts which are recognised in full immediately that it is probable that total contracts costs will exceed total contract revenue. In some cases, after a product has been delivered and revenue has been recognised, the Company receives claims from customers in respect of work done. Where the amount required to settle the claim is uncertain or the Company disputes the amount of the claim, provision is made for the best estimate of the amount that will be required to settle the claim.

Where the expected cost at completion of a current contract exceeds the sum of the contracted revenue and any probable revenue, then the amount of that excess (the estimated contract loss) is immediately provided for in full. Such contract loss provisions are reviewed on a regular basis to determine whether the provision is still adequate or excessive. Contract loss provisions and subsequent adjustments to them are charged as cost of sales in the income statement.

**2.14 Expenses**

***Interest receivable and Interest payable***

Interest payable and similar charges include interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**2. ACCOUNTING POLICIES** *(continued)*

**2.15 Research and Development**

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

**2.16 Share-based Payments**

The Company's ultimate parent company operates a share option scheme which allows employees to acquire shares in the parent company. Where the parent company awards share options under the scheme, the fair value of options granted is calculated at the grant date using the Quoted Companies Alliance binomial model. The resulting cost is recognised in the trading subsidiary over the vesting period (during which the recipient becomes unconditionally entitled to exercise the option) as a charge to the profit and loss account with a corresponding credit to equity (capital contribution).

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management have determined the following are key judgements or sources of estimation included in the current year financial statements:

***Provisions***

The Company makes estimates of provisions for existing commitments arising from past events. In estimating these provisions, the Company makes judgements as to the quantity and likelihood of the liability arising. Certain provisions require more judgement than others. In particular, warranty provisions and contract loss provisions have to take account of future outcomes arising from past deliveries of products and services. In estimating these provisions, the Company makes use of management experience, precedents and specific contract and customer issues. The closing provision balances are included in the creditors note 15 within accruals.

***Revenue recognition on fixed-price contracts***

The judgement applied in recognising revenue on a fixed-price contract is made by reference to the cost incurred, including contingency for risk. The Company uses best estimates in applying this judgement in line with IFRS15. See closing balance in note 4.

***Cost contingency on fixed-price contracts***

In addition to the judgement applied to revenue recognition, the cost of delivering a contract to represents the actual costs incurred and committed, plus an estimate of cost contingency for risk still present in the contract at that stage. This cost contingency takes account of the stage that the contract has reached and any judgement and uncertainty remaining to deliver the remainder of the contract. It is usual for these cost contingencies to reduce as the contract progresses and risk and uncertainty reduces. See closing balance in note 4.

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**4. TURNOVER**

**(i) Disaggregation of revenue**

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

**Primary geographical markets**

The Company is located in the UK. The revenue by geographical location of the customer is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
UK	<b>32,236</b>	30,670
Europe	<b>1,472</b>	2,226
Asia Pacific	<b>299</b>	329
Other	<b>4,504</b>	6,332
	<b>38,511</b>	<b>39,557</b>

**Major goods/service lines**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Secure networks	<b>4,060</b>	3,494
Application software design	<b>1,922</b>	3,944
Operational support	<b>13,249</b>	14,019
Training	<b>9,647</b>	9,485
Provision of specialist expertise	<b>8,488</b>	7,250
Studies and analysis	<b>1,145</b>	1,365
	<b>38,511</b>	<b>39,557</b>

**Timing of transfer of goods and services**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Goods transferred at a point in time	<b>384</b>	330
Services transferred at a point in time	<b>36,863</b>	34,926
Goods transferred over time	<b>802</b>	2,740
Services transferred over time	<b>462</b>	1,561
	<b>38,511</b>	<b>39,557</b>

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**4. TURNOVER** *(continued)*

**(ii) Contract balances**

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.

	<b>2022</b>	2021
	<b>£000</b>	£000
Receivables (see note 13)	<b>3,572</b>	4,693
Contract Assets (see note 13)	<b>3,097</b>	3,321
Contract Liabilities (see note 15)	<b>(3,549)</b>	(2,409)
	<b>3,120</b>	5,605

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date on goods and services. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers for goods and services.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	<b>Contract Assets</b>	<b>Contract Liabilities</b>
	<b>£000</b>	<b>£000</b>
At 1 May 2021	3,321	(2,409)
New balances added – performance obligations not billed	1,649	-
New balances added – advances received	-	(2,152)
Contract liability recognised in revenue (performance obligation satisfied)	-	1,012
Contract asset invoiced/billed	(1,873)	-
<b>At 30 April 2022</b>	<b>3,097</b>	<b>(3,549)</b>

**(iii) Transaction price (order book) allocated to the remaining performance obligations**

<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024+</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
26,837	18,170	13,091	14,678

The Company applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

**4. TURNOVER** *(continued)*

**(iv) Contract Costs**

The Company applies the practical expedient in IFRS 15.94, where it may recognise the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the company otherwise would have recognised is one year or less.

**5. OPERATING PROFIT**

Included in operating profit are the following charges:

	<b>2022</b>	2021
	<b>£000</b>	£000
Research and development	<b>3,690</b>	2,475
Lease expenses for short-term leases	<b>80</b>	50
Depreciation – owned assets	<b>229</b>	367
Depreciation – right of use asset	<b>247</b>	207
Audit of these financial statements	<b>43</b>	34

**6. STAFF NUMBERS AND COSTS**

	<b>2022</b>	2021
	<b>£000</b>	£000
Wages and salaries	<b>14,309</b>	14,144
Social security costs	<b>1,423</b>	1,385
Defined contribution pension costs	<b>754</b>	785
Share-based payments	<b>178</b>	139
Apprentice levy	<b>91</b>	48
	<b>16,755</b>	16,501

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

	<b>2022</b>	2021
	<b>Number</b>	Number
HQ	<b>71</b>	70
Operational	<b>203</b>	208
Director	<b>1</b>	1
	<b>275</b>	279

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**7. DIRECTORS' REMUNERATION**

	<b>2022</b>	2021
	<b>£000</b>	£000
Directors' remuneration	<b>182</b>	206
Company contributions to money purchase pension plans	<b>9</b>	24
Amounts receivable under long term incentive schemes	<b>124</b>	176
	<u><b>315</b></u>	<u>406</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £305,922 (2021: £231,336), and company pension contributions of £8,959 (2021: £9,350) were made to a money purchase scheme on his behalf.

	<b>Number of directors</b>	
	<b>2022</b>	2021
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>
The number of directors who exercised share options was:		
	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Included within the remuneration above is £46,475 (2021: £46,475) of directors' costs borne by the parent entity, the charge reflects the value of services provided to the entity.

**8. INTEREST PAYABLE**

	<b>2022</b>	2021
	<b>£000</b>	£000
Interest on lease liabilities	<u>64</u>	<u>65</u>

**MASS CONSULTANTS LIMITED**  
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**9. TAXATION**

Recognised in the profit and loss account:

	<b>2022</b>	2021
	<b>£000</b>	£000
<b>UK corporation tax:</b>		
Current tax on income for the period	<b>1,548</b>	1,552
Adjustments in respect of prior periods	<b>(40)</b>	11
Total current tax	<b>1,508</b>	1,563
<b>Deferred tax (see note 14)</b>		
Origination and reversal of temporary differences	<b>42</b>	(11)
Total deferred tax	<b>42</b>	(11)
Tax on profit on ordinary activities	<b>1,550</b>	1,552

Reconciliation of effective tax rate:

	<b>2022</b>	2021
	<b>£000</b>	£000
Profit for the year	<b>6,683</b>	6,439
Total tax (credit)/expense	<b>1,550</b>	1,552
Profit excluding taxation	<b>8,233</b>	7,991
Tax using the UK corporation tax rate of 19%	<b>1,564</b>	1,518
Effect of Capital Allowances in excess of depreciation	<b>(14)</b>	38
Effect of share options	<b>35</b>	26
Effect of disallowed items for tax purposes	<b>(12)</b>	15
Effect of statutory deductions (s23) in respect of share options exercised	<b>(25)</b>	(45)
Adjustments in respect of prior periods	<b>(40)</b>	11
Unrecognised deferred tax	<b>42</b>	(11)
Total tax expense	<b>1,550</b>	1,552

The actual tax charge is at an effective tax rate of 18.83% (2021: 19.42%) of profit before tax.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

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**10. DIVIDENDS**

The dividends paid in the year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Interim dividend of 1,037.3p per ordinary share (2021: 290.4p)	<b>5,000</b>	1,400
Final dividend of 1,659.7p per ordinary share (2021: 580.9p)	<b>8,000</b>	2,800
	<b>13,000</b>	4,200

**11. TANGIBLE FIXED ASSETS**

	<b>Land &amp; Buildings</b>	<b>Computers &amp; IT equipment</b>	<b>Fixtures &amp; Fittings</b>	<b>Right-of- use asset</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>COST</b>					
At 1 May 2021	2,449	2,149	698	2,431	7,727
Additions	230	-	8	311	549
Disposals	-	-	-	(60)	(60)
<b>At 30 April 2022</b>	<b>2,679</b>	<b>2,149</b>	<b>706</b>	<b>2,682</b>	<b>8,216</b>
<b>DEPRECIATION AND IMPAIRMENT</b>					
At 1 May 2021	(352)	(1,923)	(516)	(875)	(3,666)
Charge for the year	(50)	(99)	(80)	(247)	(476)
Disposals	-	-	-	56	56
<b>At 30 April 2022</b>	<b>(402)</b>	<b>(2,022)</b>	<b>(596)</b>	<b>(1,066)</b>	<b>(4,086)</b>
<b>NET BOOK VALUE</b>					
<b>At 30 April 2022</b>	<b>2,277</b>	<b>127</b>	<b>110</b>	<b>1,616</b>	<b>4,130</b>
At 30 April 2021	2,097	226	182	1,556	4,061

**12. STOCKS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Work in progress	<b>21</b>	-

All changes in work in progress were recognised in cost of sales as they were in 2021. There was no provision against stocks (2021: £nil).

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**13. DEBTORS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	3,572	4,693
Corporation tax recoverable	599	796
Amounts owed by fellow group undertakings	12	-
Contract assets	3,097	3,321
Prepayments	749	867
Other debtors	170	175
	<u>8,199</u>	<u>9,852</u>

Amounts falling due after more than one year:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Deferred tax (note 14)	-	102
	<u>-</u>	<u>102</u>
Total debtors	<u>8,199</u>	<u>9,954</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provisions for impairment of £20k (2021: £90k).

**14. DEFERRED TAX**

	<b>Tangible fixed assets £000</b>	<b>Share based payments £000</b>	<b>Other £000</b>	<b>Total £000</b>
At 1 May 2020	(95)	123	67	95
Recognised in income	(5)	6	10	11
Recognised in equity	-	(4)	-	(4)
<b>At 30 April 2021</b>	<u>(100)</u>	<u>125</u>	<u>77</u>	<u>102</u>
Recognised in income	(51)	26	(17)	(42)
Recognised in equity	-	(79)	-	(79)
<b>At 30 April 2022</b>	<u>(151)</u>	<u>72</u>	<u>60</u>	<u>(19)</u>

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**14. DEFERRED TAX** *(continued)*

Certain deferred tax assets and liabilities have been offset where the Company has a legally enforceable right to do so. The following is the analysis of deferred tax balances (after offset) for financial reporting purposes:

	<b>2022</b>	2021
	<b>£000</b>	£000
Deferred tax asset	-	102
Deferred tax liability	19	-
	<u>19</u>	<u>-</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	2021
	<b>£000</b>	£000
Trade creditors	1,411	1,618
Amounts owed to fellow group undertakings	411	413
Other taxation and social security	1,052	968
Contract liabilities – deferred income	1,185	253
Contract liabilities - advance receipts	2,364	2,156
Accruals	2,618	2,545
Other creditors	176	169
Lease liability	263	255
	<u>9,480</u>	<u>8,377</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The total cash outflow for leases was £371k (2021: £417k).

**16. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR**

	<b>2022</b>	2021
	<b>£000</b>	£000
Lease liability	1,590	1,546
Deferred tax (note 14)	19	-
	<u>1,609</u>	<u>1,546</u>

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**17. CALLED UP SHARE CAPITAL**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
482,029 (2021 – 482,029) Ordinary shares of £0.10 each	<b>48</b>	<b>48</b>

**18. RESERVES**

Below is a description of the nature and purpose of the individual reserves:

- Share capital represents the nominal value of shares issued.
- Share premium account includes the amounts over the nominal value in respect of share issues. In addition, costs in respect of share issues are debited to this account.
- Capital redemption reserve relates to a redemption of capital prior to 1 May 2000.
- Capital contribution account represents the cumulative share-based payment charged to reserves less the transfer to the profit and loss account or the vesting of options.
- Profit and loss account is the retained earnings of the Company from realised gains and losses.

**19. OPERATING LEASE COMMITMENTS UNDER IAS 17**

Non-cancellable operating lease rentals are payable as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Fixtures and fittings:		
- less than one year	<b>1</b>	-
Land and buildings:		
- less than one year	<b>75</b>	<b>50</b>
	<b>76</b>	<b>50</b>

**20. CONTINGENT LIABILITIES AND GUARANTEES**

The Company, as part of Cohort Plc's group banking and offset arrangements, is also a guarantor for £47,354,000 (2021: £50,643,000) of bank borrowings and overdraft drawn by its parent, along with a further £19,598,000 (2021: £13,693,000) in respect of bank guarantees drawn by fellow subsidiary undertakings.

**21. EMPLOYEE BENEFITS**

**Defined contribution plans**

The Company operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £754k (2021: £785k).

**Share based payments**

During the year, the parent company granted the following options to employees of the Company:

<b>Grant date / employees entitled</b>	<b>Method of settlement accounting</b>	<b>Number of options</b>	<b>Vesting conditions</b>	<b>Contractual life of options</b>
Equity settled awards granted by the parent on 16 August 2021	Equity	126,493	The options vest on the third anniversary of grant	Expire on 15 August 2031
Equity settled awards granted by the parent on 3 September 2021	Equity	28,599	The options vest on the third anniversary of grant	Expire on 31 March 2025
Equity settled awards granted by the parent on 3 September 2021	Equity	11,247	The options vest on the fifth anniversary of grant	Expire on 31 March 2027

The weighted average share price at the date of exercise of share options exercised during the year was 550 pence (2021: 626 pence). The options outstanding at the year-end have an exercise price in the range of 197.5 pence to 670 pence (2021: 91.5 pence to 670 pence) and a weighted average contractual life of six years (2021: seven years).

**22. ULTIMATE PARENT COMPANY**

The Company is a 100% subsidiary of Mass Limited, which is itself a wholly owned subsidiary of the ultimate parent company Cohort plc.

The largest and smallest Group in which the results of the Company are consolidated is headed by Cohort Plc and are available from their registered office of 1 Waterside Drive, Arlington Business Park, Theale, Reading, RG7 4SW.