Bistech Group plc

Registered number: 06797181

Annual Report

For the year ended 31 July 2022

COMPANY INFORMATION

Directors	Mrs J E Brown Mr R S Holbrook Mr J Kirkham
Company secretary	Mr J Kirkham
Registered number	06797181
Registered office	137 Victoria Road Ferndown Dorset BH22 9HX
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor, Merck House Seldown Lane Poole Dorset BH15 1TW
Bankers	Lloyds Bank plc Commercial Banking Service Centre 3 Town Quay Southampton Hampshire SO14 2AQ

BISTECH GROUP PLC

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2022

The directors present their Strategic Report for Bistech Group Plc (the 'Company') together with the audited financial statements for the year ended 31 July 2022.

Overview

Our mission is and always has been to work in partnership with customers and suppliers to provide elegant, robust strategic IT solutions with long-term support in order to maximise their return on investment. We achieve this by providing our customers with up-to-date technical solutions, support and advice in the field of Information Technology. The Bistech Group consists of Bistech plc, Bistech Property Services Ltd and Bistech Managed Services Ltd (dormant).

The Group continues to focus on organic growth. This strategy enables us to give our customers the peace of mind that they will receive the continuity of service they are looking for. This has proven to be a successful strategy for the Group since its incorporation over 34 years ago.

Results

In a challenging economic year, the directors are proud to report revenue of £19.7m, an increase of 2% on last year.

Revenue

Providing business critical services, such as cloud, connectivity, security and collaboration solutions to a strong and well diversified customer base has meant that we've been able to maintain strong levels of revenue throughout a period of inflation, rising interest rates and ongoing pandemic recovery. Cloud services are vital for businesses, allowing workforces to operate remotely or onsite, and an area where we continue to see significant revenue growth. The demand for cloud services and the security of those services remains high, leaving us in a strong position to help customers with their cloud strategies moving forwards.

Operating Profit

Operating profit increased by 0.4% to £5.8m. The directors continue to recognise the importance of maintaining a tight control on costs through robust processes, internal training and strong partnerships with suppliers, especially in times of high inflation and rising costs.

Profit after tax

Current year profit after tax is down £2.3m on last year, which equates to the movement in the change in fair value on current asset investments, up £1.4m last year whilst down £0.9m in the current year. This movement shows the current market volatility due to the geopolitical uncertainty, addressed further below. This change in fair value on current asset investments does not represent recognised gains and losses but reflects the markets at the year-end.

Cash

Net cash inflow from operating activities for the year was £3.5m (2021: £6m). The strong cash generation continues to be attributed to robust processes and good management of funds within the business. Retained funds are important to the future success of the business as the Group continues to invest in its infrastructure and the development of its portfolio of products & services. It also provides our customers and suppliers peace of mind that we are financially secure even during challenging times.

Profit & Loss Reserve
The Group profit and loss reserve at the start of the year was £9.2m, with cash and current asset investments totalling £12m. Based on the projected operating profit for the year ended 31 July 2022, an interim dividend of £5.2m was considered appropriate, leaving sufficient working capital and reserves for future development and growth.

Future Developments

COVID-19
As anticipated, with many businesses now operating a hybrid or remote work approach as standard practice, there has been an increase in demand for cloud services with a focus on security. Bistech has a wealth of experience in providing industry insight, expert advice and solutions in the field of IT, meaning we are in a strong position to help both new and existing customers with their cloud and security strategies moving forwards.
Customer Growth
The focus of the Group remains largely on the development of long-term relationships with the customer which is core to the Group's success. The Group remains in a strong position moving forward with retained reserves of £8.2m at the year-end.
Research & Development
The Group will continue to invest in the research, development and testing of both new and existing technologies to ensure exceptional levels of service and technical solutions are maintained.

Reinvestment of Funds
Funds continue to be reinvested into the business in the form of staff training and development, software development to improve both internal processes and external customer services, and core infrastructural improvements to enhance customer offerings and support future growth.
Principal Risks & Uncertainties
Geopolitical uncertainty
The Russia-Ukraine conflict, which escalated in February 2022, has had an impact on businesses globally. There are many risks associated to this conflict, including but not limited to:

- Cyberattacks:
  Following Russia's attack on Ukraine, the National Cyber Security Centre advised organisations to 'bolster their online defences' in anticipation of an increase in cyberattacks. Such attacks pose multiple risks to organisations, including operational, reputational and financial. Bistech adopts extensive cyber security measures to combat these threats, including Managed Detection Response services operated through a Cyber Security Operations Centre.

Principal Risks & Uncertainties (continued)

- Supply chain:
  Last year saw a global shortage in semiconductor chips impacting the availability of IT equipment. This shortage has continued and has been exacerbated by the conflict in Ukraine. It is still not clear when this chip shortage will end, although feedback from some suppliers anticipates some improvement from April 2023. The risk to the business is delayed or lost customer opportunities where there is an alternative solution not impacted by the chip shortage. There is also risk and uncertainty relating to equipment orders with long lead times, such as delayed revenue recognition and fluctuating prices. Our sound systems and processes ensure revenue is recognised in accordance with our accounting policy, whilst our robust terms and conditions and supplier relationships help protect us from price fluctuations.

- Energy prices, rising inflation and the cost of living:
  The conflict has resulted in a disruption to the energy supply from Russia to the rest of Europe, driving up fuel costs, inflation and the cost of living. The risks to the business include increased operating costs and the impact on our customers and their ability to invest in our products and services. Tight control over costs and customer pricing ensures margins are maintained, whilst the products and services we provide are generally considered to be business critical, in long-term contracts and generating recurring revenue.

The remaining principal risks and uncertainties faced by the Group are largely unchanged from previous years. These include:
Brexit
Implementation of changes following Brexit continue in 2022, meaning ongoing monitoring and review is required by the business to establish further risks and actions required to address these. Bistech continues to monitor the impact of Brexit, reviewing and updating any strategic business plans accordingly.
Increasing pressure on profit margins from competition
The Group continuously monitors and negotiates with its suppliers over pricing and passes on savings to customers to ensure value for money. Careful management of working capital leaves the Group in a position where there is no dependence on external funding.
Evolving technologies
The directors continue to view this as an opportunity to demonstrate the business' strengths and agility in a highly competitive market. Profits continue to be accumulated and held to allow the Group to invest in maintaining the quality of existing products and services, whilst researching and developing new commercial offerings. The Group continues to invest significantly in staff recruitment and training, ensuring all areas of the business are more than adequately covered by qualified staff.
Credit risk associated with the Group's trade debtors
The Group manages this risk on an on-going basis ensuring monies are received in advance for the majority of the goods and services supplied to new and existing customers, and by performing credit checks before signing new business. Where an exposure to credit risk is identified through the credit vetting process then a deposit on account will be required before providing any goods or services to customers.

Key Performance Indicators

Financial

	2022	2021	2020	2019
Operating profit %	30%	30%	25%	34%
Quick ratio	1.8	1.8	1.8	1.3
Debtor days	24	28	27	24
Return on capital employed	39%	71%	51%	18%

Non-financial

During the year the Group maintained its impeccable record of quality and security with regards to its BSI certifications to ISO 9001 for Quality Management and ISO 27001 for Information Security Management. Since the end of the year the Group also successfully achieved BSI certification to ISO 20000 for IT Service Management. This continued commitment to the highest international standards gives our customers total peace of mind.

At Bistech, we take responsibility for our customers, our people and our community seriously. Responsible, ethical and sustainable business is central to our proposition. Technology is increasingly at the cutting edge of both business and environmental sustainability. At Bistech, we support our customers with their cloud strategies not only to enhance business agility but also reduce the consumption of natural resources and reduce reliance upon on-site hardware meaning less waste over time.

In addition, we help customers to implement more sustainable working practices, such as going paperless or remotely working. Powered by the cloud, these solutions are again saving natural resource by avoiding physical paperwork and reducing unnecessary travel to enable greener business. These same technologies help us to work more sustainably at Bistech. We embrace the paperless office and use of virtual meetings to reduce the impact of travel. Similarly, cloud technologies mean that IT implementation, training, ongoing administration and support for our customers can take place remotely, reducing the need for site visits. All of this means a more efficient customer experience with a lower carbon footprint.

Post year-end we have begun work on our solar panel project, which will see solar panels installed at our head office to generate electricity for its day-to-day running. This will not only reduce our dependence on the national grid and rising energy prices, but also continue to reduce our carbon footprint and further embed sustainability in our work.

Our supply chain is carefully sourced, with environmental and social responsibility considerations at the forefront. Where possible, we work with smaller, more local suppliers to support our community and use the most energy-efficient products and eco-friendly materials available. We also actively seek to minimise waste and have a comprehensive recycling regime for both ageing technology (under the WEEE Directive) and consumables to help mitigate the global landfill challenge.

Of course, the talented Bistech team is our most valuable asset and we promote a positive culture. We recognise mental and physical wellness is crucial to good health and offer practical workshops on mental health awareness, well-being and nutrition to support them in both their professional and personal lives. And our Cycle to Work scheme has incentivised our team to improve their fitness - whilst also helping to reduce their own carbon footprints. Last year we introduced an electric vehicle salary sacrifice scheme, to further encourage zero emission travel and reduce our carbon footprint. We have seen a strong uptake of the scheme and have now almost completely disposed of our fleet of non-electric vehicles as we move to a more sustainable and energy efficient way of operating.

BISTECH GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

Through these activities and more, we are committed to proactively incorporate and improve sustainable working practices whilst also ensuring the health and well-being of our team. Our goals are simple:

- Help our customers to become more sustainable through technology
- Conserve resources, reduce waste and promote sustainable working
- Create a safe, healthy, and collaborative working environment
- Support our community

Charitable Donations

As well as supporting our customers, our team actively fundraises for a diverse range of charities and good causes. So, every year, through the Bistech Community Fund, we offer each employee the opportunity of significant sponsorship towards a fundraising challenge of their choice. We see this as a small way to help each individual support causes that are close to their heart, whilst also supporting our wider community. We especially recognise the challenges that charities continue to face as a result of the pandemic and have committed to donate £40,000 to a number of local and national charities.

Directors' statement of compliance with duty to promote the success of the Group

The revised UK Corporate Governance Code (‘2018 Code’) was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 (‘2018 MRR’) require directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 (‘S172’) when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the Company. The content of the Strategic Report addresses how we have engaged with our key stakeholders, being our employees, customers, suppliers and local community. We recognise the importance in fostering business relationships with our customers and suppliers. The directors meet regularly to address the needs of all the key stakeholders and to assess the strategic and principal risk impact.
The S172 statement focuses on matters of strategic importance to Bistech, and the level of information disclosed in the Strategic Report is consistent with the size and the complexity of the business.

This report was approved by the board and signed on its behalf by:

Mrs J E Brown
Director

Date: 23 January 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2022

The directors present their annual report and the audited financial statements for the year ended 31 July 2022.

Principal activity

The Group's principal activity is the provision, implementation and management of Business Communication Solutions including Security, Cloud, and Managed & Professional IT Services.

Results and dividends

The profit for the year, after taxation, amounted to £3,764,650 (2021: £6,133,052).

The directors have paid dividends in the year of £5,200,000 (2021: £5,200,000).

Directors

The directors who served during the year and to the date of this report were:

Mrs J E Brown
Mr R S Holbrook
Mr J Kirkham

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Going concern

With many businesses having adopted a permanent approach to hybrid working following the pandemic, the demand for cloud technology has risen. We expect to see this trend continue as more businesses adopt a cloud-first strategy. Given the sector within which we operate and the portfolio of products and services we provide, we are in an incredibly strong position moving forwards.
The directors have considered the forecasts of group revenue and cash flows covering the period to 31 July 2024. This has included assessing the financial risks and uncertainties surrounding the geopolitical situation. With most of our revenue being contractual and recurring, the directors do not consider these forecasts to be particularly sensitive. Having considered the sensitivities of the forecasts and the risks and uncertainties faced, the directors confirm that it is appropriate to prepare the financial statements on a going concern basis.

Matters covered in the Group Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 1 to 5. These matters relate to future developments, financial instruments and research and development activities.

Qualifying third party indemnity provisions

The Group has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision was in force during the year at the date of approving the Directors' Report.

Post balance sheet events

There have been no significant events affecting the Group or the Company since the year end.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Group and the Company's auditor is unaware, and
- the directors have 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 Group and the Company's auditor is aware of that information.

Auditor

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

This report was approved by the board and signed on its behalf by:

Mr J Kirkham
Secretary

Date: 23 January 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BISTECH GROUP PLC

Opinion

We have audited the financial statements of Bistech Group plc (the ‘Company’) and its subsidiaries (the 'Group') for the year ended 31 July 2022 which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statements of Changes in Equity, the Group Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.
The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Company’s affairs as at 31 July 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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 Group and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BISTECH GROUP PLC

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and 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 intend either to liquidate the Group and 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 our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the group and the parent company, and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

IIn addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut off and completeness), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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 Group and the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Lesley Fox (Senior statutory auditor)
for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor, Merck House
Seldown Lane
Dorset
Poole
BH15 1TW

24 January 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £	2021 £
Turnover	4	19,671,441	19,252,247
Cost of sales		(9,870,606)	(10,041,048)
Gross profit		9,800,835	9,211,199
Administrative expenses		(3,986,629)	(3,426,166)
Other operating income	5	-	7,620
Operating profit	6	5,814,206	5,792,653
Income from current asset investments		47,379	30,746
Changes in fair value on current asset investments		(879,201)	1,434,417
Interest receivable and similar income	10	1,295	1,874
Profit before taxation		4,983,679	7,259,690
Tax on profit	11	(1,219,029)	(1,126,638)
Profit for the financial year		3,764,650	6,133,052
Other comprehensive income		-	-
Total comprehensive income for the year		3,764,650	6,133,052
Profit for the year attributable to:			
Owners of the parent Company		3,764,650	6,133,052
		3,764,650	6,133,052

The Consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 19 to 38 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	**13**		34,280		21,714
Tangible fixed assets	**14**		3,063,813		3,126,071
			3,098,093		3,147,785
Current assets					
Stocks	**16**	250,034		230,883	
Debtors: amounts falling due within one year	**17**	2,124,792		2,288,900	
Current asset investments	**18**	7,171,141		9,063,520	
Cash and cash equivalents	**19**	2,164,700		2,940,930	
		11,710,667		14,524,233	
Creditors: amounts falling due within one year	**20**	(6,394,823)		(7,846,761)	
Net current assets			5,315,844		6,677,472
Total assets less current liabilities			8,413,937		9,825,257
Provisions for liabilities					
Deferred taxation	**22**	(285,222)		(261,192)	
			(285,222)		(261,192)
Net assets			8,128,715		9,564,065
Capital and reserves					
Called up share capital	**23**		124,471		124,471
Capital redemption reserve	**24**		63,686		63,686
Revaluation reserve	**24**		160,785		160,785
Profit and loss account	**24**		7,779,773		9,215,123
Total equity			8,128,715		9,564,065

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mrs J E Brown
Director

Date: 23 January 2023

The notes on pages 19 to 38 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 JULY 2022

	Note		2022 £		2021 £
Fixed assets					
Investment in subsidiaries	**15**		2,805,000		2,805,000
			2,805,000		2,805,000
Current assets					
Debtors: amounts falling due within one year	**17**	16,838		17,717	
Current asset investments	**18**	7,171,141		9,063,520	
Cash and cash equivalents	**19**	148,635		2,191,856	
		7,336,614		11,273,093	
Creditors: amounts falling due within one year	**20**	(6,100,910)		(8,568,513)	
Net current assets			1,235,704		2,704,580
Net assets			4,040,704		5,509,580
Capital and reserves					
Called up share capital	**23**		124,471		124,471
Capital redemption reserve	**24**		63,686		63,686
Profit and loss account	**24**		3,852,547		5,321,423
Total equity			4,040,704		5,509,580

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £3,731,124 (2021: £5,111,610) which includes dividends from subsidiary companies of £4,750,000 (2021: £3,750,000).
The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mrs J E Brown
Director

Date: 23 January 2023

The notes on pages 19 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2022

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 August 2020	124,471	63,686	160,785	8,282,071	8,631,013
Profit for the year					
Profit for the year	-	-	-	6,133,052	6,133,052
Dividends: Equity capital	-	-	-	(5,200,000)	(5,200,000)
At 1 August 2021	124,471	63,686	160,785	9,215,123	9,564,065
Profit for the year					
Profit for the year	-	-	-	3,764,650	3,764,650
Dividends: Equity capital	-	-	-	(5,200,000)	(5,200,000)
At 31 July 2022	124,471	63,686	160,785	7,779,773	8,128,715

The notes on pages 19 to 38 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2022

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 August 2020	124,471	63,686	5,409,813	5,597,970
Profit for the year				
Profit for the year	-	-	5,111,610	5,111,610
Dividends: Equity capital	-	-	(5,200,000)	(5,200,000)
At 1 August 2021	124,471	63,686	5,321,423	5,509,580
Profit for the year				
Profit for the year	-	-	3,731,124	3,731,124
Dividends: Equity capital	-	-	(5,200,000)	(5,200,000)
At 31 July 2022	124,471	63,686	3,852,547	4,040,704

The notes on pages 19 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	3,764,650	6,133,052
Adjustments for:		
Income from current asset investments	(47,379)	(30,746)
Amortisation of intangible assets	16,979	22,177
Depreciation of tangible assets	172,925	214,968
Profit on disposal of tangible assets	(22,250)	(5,000)
Loss/(gain) on current asset investments	879,201	(1,434,417)
Interest received	(1,295)	(1,874)
Taxation charge	1,219,028	1,126,638
(Increase)/decrease in stocks	(19,151)	144,273
Decrease/(increase) in debtors	164,110	(613,660)
(Decrease)/increase in creditors	(1,447,952)	1,219,772
Corporation tax paid	(1,198,986)	(760,397)
Net cash generated from operating activities	3,479,880	6,014,786
Cash flows from investing activities		
Purchase of intangible fixed assets	(29,545)	-
Purchase of tangible fixed assets	(110,667)	(156,852)
Sale of tangible fixed assets	22,250	5,000
Net proceeds/(cost) from the sale and purchase of short term investments	1,013,178	(2,479,227)
Income from current asset investments	47,379	30,746
Interest received	1,295	1,874
Net cash generated from/(used in) investing activities	943,890	(2,598,459)
Cash flows from financing activities		
Dividends paid	(5,200,000)	(5,200,000)
Net cash used in financing activities	(5,200,000)	(5,200,000)
Net (decrease) in cash and cash equivalents	(776,230)	(1,783,673)
Cash and cash equivalents at beginning of year	2,940,930	4,724,603
Cash and cash equivalents at the end of year	2,164,700	2,940,930
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,164,700	2,940,930

1. General information

Bistech Group plc (registered number 06797181) is a privately owned public limited by shares Company incorporated in England and Wales. The registered office of the Group, including all subsidiary undertakings, is 137 Victoria Road, Ferndown, Dorset, BH22 9HX.
The Group's principal activity is the provision, implementation and management of Business Communication Solutions including Security, Cloud, and Managed & Professional IT Services.

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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (b) not to present the Company statement of cash flows.
The functional currency of the Group is Pounds Sterling as this is the currency of the primary economic environment in which the Group operates. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.
The consolidated financial statements incorporate the results of business combinations using the merger accounting method.
In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 August 2015.

2. Accounting policies (continued)

2.3 Going concern

With many businesses having adopted a permanent approach to hybrid working following the pandemic, the demand for cloud technology has risen. We expect to see this trend continue as more businesses adopt a cloud-first strategy. Given the sector within which we operate and the portfolio of products and services we provide, we are in an incredibly strong position moving forwards.
The directors have considered the forecasts of group revenue and cash flows covering the period to 31 July 2024. This has included assessing the financial risks and uncertainties surrounding the geopolitical situation. With most of our revenue being contractual and recurring, the directors do not consider these forecasts to be particularly sensitive. Having considered the sensitivities of the forecasts and the risks and uncertainties faced, the directors confirm that it is appropriate to prepare the financial statements on a going concern basis.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover 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.
Turnover from the sale of product and equipment is recognised when it is delivered to the customer. Turnover relating to the installation and connection of services is recognised when it is earned, upon activation. Turnover from support and the rental of solutions is recognised evenly over the period to which the charges relate. Turnover from the consumption of services, such as calls, compute and data, is recognised in the period when the service is consumed.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.
Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Interest receivable and similar income

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

2. Accounting policies (continued)

2.8 Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in Other Creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

2. Accounting policies (continued)

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.
At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.
Computer software included with intangible assets is amortised between 3 and 5 years on a straight line basis. Amortisation is included in ‘administrative expenses’ in the Statement of Comprehensive Income.

2.11 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.
At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant & machinery	- 33% straight line
Motor vehicles	- 25% straight line
Fixtures & fittings	- 15% - 33% straight line

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. Plant & machinery depreciation is presented within 'cost of sales'. All other classes of assets depreciation is presented in 'administrative expenses'. All depreciation costs are presented in the Statement of Comprehensive Income.
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.12 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.
Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.
Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the Statement of Comprehensive Income.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.
Current asset investments are held at fair value with changes in fair value recognised in profit or loss.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on an average cost method basis.
At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.15 Debtors: Amounts falling due within one year

Short term debtors are measured at transaction price, less any impairment.

2.16 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.

2.17 Creditors: Amounts falling due within one year

Short term creditors are measured at the transaction price.

2. Accounting policies (continued)

2.18 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, 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 creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The valuer's report for the freehold property for the year ended 31 July 2020 contained a 'material valuation uncertainty' clause due to the disruption to the market at that date caused by COVID-19. The inclusion of this clause indicated that there was substantially more uncertainty than normal and therefore a higher likelihood that the assumptions upon which the external valuer based its valuations proved to be inaccurate. At the balance sheet date the directors have reviewed and considered the valuation including the statement made by the external valuers and consider the carrying value at the balance sheet date to be appropriate.
Other than the 'material valuation uncertainty' concerning the freehold property valuations as at 31 July 2020, in preparing these financial statements the directors have not identified any judgements made in the process of applying the accounting policies that have any significant effect on the amounts recognised in the financial statements. Nor have the directors identified any key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

	2022 £	2021 £
Rendering of services	19,671,441	19,252,247

The whole of the turnover is attributable to the principal activities of the Group undertaken entirely in the United Kingdom.

5. Other operating income

	2022 £	2021 £
Government grants receivable	-	7,620

Government grants receivable relate to the Coronavirus Job Retention Scheme (CJRS).

6. Operating profit

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

	2022 £	2021 £
Depreciation of tangible fixed assets	172,925	214,968
Amortisation of intangible assets	16,979	22,177
Profit on sale of intangible assets	(22,250)	(5,000)
Operating lease rentals	1,342,980	1,180,852
Impairment of trade debtors	49,296	23,642
Exchange differences	1,920	1,249
Defined contribution pension cost	606,230	555,730

7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	23,750	19,500

Fees payable to the Group's auditor in respect of:

	2022 £	2021 £
The preparation of the financial statements	6,150	3,500
Taxation compliance services	4,100	3,910
All other non-audit services not included above	-	500
	10,250	7,910

8. Employees

Staff costs, including the directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	3,789,152	3,485,514	-	-
Social security costs	444,922	399,695	-	-
Cost of defined contribution scheme	606,230	555,730	-	-
	4,840,304	4,440,939	-	-

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Directors	3	3	3	3
Administration (including IT)	19	18	-	-
Service and Support	36	31	-	-
Sales and Marketing	18	19	-	-
	76	71	3	3

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	540,782	543,559
Group contributions to defined contribution pension schemes	52,381	57,726
	593,163	601,285

During the year retirement benefits were accruing to 2 directors (2021: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £222,904 (2021: £207,292).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £32,070 (2021: £37,415).

There were no key management personnel other than the directors.

10. Interest receivable and similar income

	2022 £	2021 £
Other interest receivable	1,295	1,874

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	1,126,317	1,130,735
Adjustments in respect of previous periods	68,682	(41,530)
Total current tax	1,194,999	1,089,205
Deferred tax		
Origination and reversal of timing differences	9,544	(33,234)
Changes to tax rates	14,486	5
Effect of tax rate change on opening balance	-	70,662
Total deferred tax	24,030	37,433
Taxation on profit on ordinary activities	1,219,029	1,126,638

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit before tax	4,983,679	7,259,690
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	946,899	1,379,341
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	167,191	(268,610)
Adjustments to tax charge in respect of prior periods	68,682	(40,942)
Adjustments to tax charge in respect of prior periods - deferred tax	14,486	5
Fixed asset differences	(8,566)	-
Remeasurement of deferred tax for changes in tax rates	2,291	62,686
Exempt ABGH distributions	(9,002)	(5,842)
Chargeable gains/(losses)	36,934	-
Other	114	-
Total tax charge for the year	1,219,029	1,126,638

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

12. Dividends

	2022 £	2021 £
Dividends paid on equity capital	5,200,000	5,200,000

Dividends of £200,000 were paid on A shares (2021: £200,000) and £5,000,000 on AA shares (2021: £5,000,000).

13. Intangible assets

Group

	Software
	£
Cost	
At 1 August 2021	67,245
Additions	29,545
At 31 July 2022	96,790
Amortisation	
At 1 August 2021	45,531
Charge for the year	16,979
At 31 July 2022	62,510
Net book value	
At 31 July 2022	34,280
At 31 July 2021	21,714

At the year end, the Company did not have any intangible fixed assets.

BISTECH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

14. Tangible fixed assets

Group

	Freehold land and buildings	Plant & machinery	Motor vehicles	Fixtures & fittings	Total
	£	£	£	£	£
Cost or valuation					
At 1 August 2021	2,829,412	2,010,107	208,004	715,726	5,763,249
Additions	-	45,665	-	65,002	110,667
Disposals	-	-	(59,250)	(1,876)	(61,126)
At 31 July 2022	2,829,412	2,055,772	148,754	778,852	5,812,790
Depreciation					
At 1 August 2021	-	1,925,844	178,655	532,679	2,637,178
Charge for the year	-	56,504	14,307	102,114	172,925
Disposals	-	-	(59,250)	(1,876)	(61,126)
At 31 July 2022	-	1,982,348	133,712	632,917	2,748,977
Net book value					
At 31 July 2022	2,829,412	73,424	15,042	145,935	3,063,813
At 31 July 2021	2,829,412	84,263	29,349	183,047	3,126,071

The valuation of the properties at 31 July 2020 was determined by the Group's external valuer, Daniells Harrison Surveyors LLP. The valuations are in accordance with the RICS standards and were arrived at by reference to market evidence of transactions for similar properties. The valuations performed by the valuer were reviewed internally by the directors and considered appropriate.

At the year end, the Company did not have any tangible fixed assets.

At 31 July 2022 the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3.

14. Tangible fixed assets (continued)

If the freehold property had been accounted for under the historic cost accounting rules, the freehold property would have been measured as follows:

	2022 £	2021 £
Historic cost	3,650,348	3,650,348
Accumulated depreciation and impairment	(404,671)	(331,664)
	3,245,677	3,318,684

15. Investments in subsidiaries

Company

	Investments in subsidiary companies
	£
Cost	
At 1 August 2021	2,805,000
At 31 July 2022	2,805,000
Net book value	
At 31 July 2022	2,805,000
At 31 July 2021	2,805,000

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Bistech plc	137 Victoria Road, Ferndown, Dorset, BH22 9HX	Provision, implementation and management of Business Communication Solutions including Security, Cloud, and Managed & Professional IT Services.	Ordinary	100%
Bistech Property Services Ltd	137 Victoria Road, Ferndown, Dorset, BH22 9HX	Property holding company	Ordinary	100%
Bistech Managed Services Ltd	137 Victoria Road, Ferndown, Dorset, BH22 9HX	Dormant	Ordinary	100%

16. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	250,034	230,883

The carrying value of stocks is stated after a provision for impairment of £nil (2021: £nil).

17. Debtors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	1,565,805	1,797,033	-	-
Other debtors	7,495	19,603	-	-
Prepayments and accrued income	551,492	472,264	16,838	17,717
	2,124,792	2,288,900	16,838	17,717

Trade debtors are stated net of a provision of £49,296 (2021: £23,642).

18. Current asset investments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Listed investments	7,171,141	9,063,520	7,171,141	9,063,520

Current asset investments are valued based on quoted market prices in an active market.

19. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	2,164,700	2,940,930	148,635	2,191,856

20. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	881,102	1,126,292	-	-
Amounts owed to group undertakings	-	-	6,018,513	8,568,513
Corporation tax	574,973	578,959	82,397	-
Other taxation and social security	466,904	1,019,455	-	-
Other creditors	54,491	90,995	-	-
Accruals and deferred income	4,417,353	5,031,060	-	-
	6,394,823	7,846,761	6,100,910	8,568,513

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

21. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through profit or loss	7,171,141	9,063,520	9,976,141	11,868,520
Financial assets that are debt instruments measured at amortised cost	3,738,000	4,757,566	148,635	2,191,856
	10,909,141	13,821,086	10,124,776	14,060,376
Financial liabilities				
Financial liabilities measured at amortised cost	(1,543,883)	(1,778,437)	(6,018,513)	(8,568,513)

Financial assets measured at fair value through profit or loss comprise current asset investments in a trading portfolio of listed Company shares.

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals (excluding deferred income).

22. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(261,192)	(223,759)
Charged to profit or loss (note 11)	(24,030)	(37,433)
At end of year	(285,222)	(261,192)

The provision for deferred taxation is made up as follows:

	Group 2022 £	Group 2021 £
Accelerated capital allowances	(161,185)	(141,952)
Short term timing differences	6,730	11,527
Capital gains	(130,767)	(130,767)
	(285,222)	(261,192)

23. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
23,157 (2021: 23,157) Ordinary A shares of £1 each	23,157	23,157
23,157 (2021: 23,157) Ordinary B shares of £1 each	23,157	23,157
55,000 (2021: 55,000) Ordinary C shares of £1 each	55,000	55,000
23,157 (2021: 23,157) Ordinary AA shares of £1 each	23,157	23,157
	124,471	124,471

Summary of rights of the different classes of shares is as follows:
Ordinary A shares are fully voting and have equal rights to dividends. In the event of a winding up or share sale, the holders of the A shares will receive the value of the cash up to £2m and current asset investments held by the Company or any of the subsidiaries in priority to and distributions payable to the holders of the AA, B and C shares.
Ordinary AA shares are fully voting and have equal rights to dividends. In the event of a winding up or share sale, the holders of the AA shares will receive the value of the cash in excess of £2m held by the Company or any of the subsidiaries in priority to and distributions payable to the holders of the B and C shares.
Ordinary B shares are fully voting and have equal rights to dividends. In the event of a winding up or share sale, the holders of the B shares will receive the B share value of £24m subject to the priority entitlement of the A and AA shareholders to the value of the cash and current asset investments of the Company and any of the subsidiaries.
Ordinary C shares are fully voting and have equal rights to dividends. In the event of a winding up or share sale, the holders of the C shares will receive the balance, if any, of the Company's assets or proceeds of sale after the priority entitlements of the A, AA and B shareholders have been satisfied.

Share Based Payments

On 11 September 2015, the Company set up an EMI scheme, under which 13,750 ‘C’ Ordinary Shares have been granted to one individual in the organisation at an exercise price of £1. The options have a vesting period between 11 September 2015 and 11 September 2025 and can be exercised any time up to 11 September 2025, subject to the occurrence of certain conditions, being; the flotation of the Company on a recognised investment exchange, or where an offer has been made for the whole of the issued share capital of the Company and a majority of the then shareholders determined in accordance with the number of ordinary shares then held indicate that they wish to accept such offer, or where the directors of the Company pass a resolution allowing the employee to exercise the option. Due to the lack of an observable market price, the fair value of the options at the date of the grant was calculated by an option pricing model. At the year-end all options granted remain outstanding.

24. Reserves

Revaluation reserve

This reserve represents the cumulative surplus which has arisen on the revaluation of freehold land and buildings of the Group.

Capital redemption reserve

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

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

25. Analysis of net debt

	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Cash at bank and in hand	2,940,930	(776,230)	2,164,700
	2,940,930	(776,230)	2,164,700

26. Pension commitments

Bistech Group plc operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contribution payable by the Group to the fund and amounted to £606,230 (2021: £555,730). Amounts payable to the fund at the year end were £51,567 (2021: £46,106).

27. Commitments under operating leases

At 31 July 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	1,078,840	902,501
Later than 1 year and not later than 5 years	966,032	655,118
	2,044,872	1,557,619

At the year end, the Company did not have any future minimum lease payments under non-cancellable operating leases.

28. Related party transactions

During the year dividends of £5,200,000 (2021: £5,200,000) were paid to directors of the Company either by way of shareholdings in the Company or indirect shareholdings. At the year end the directors' loan account showed £2,607 (2021: £2,868) owing to the directors of the Company.
There were no other related party transactions during the current or prior year.

29. Post balance sheet events

There have been no significant events affecting the Group or the Company since the year end.

30. Controlling party

The entity is controlled by its shareholders.