

Company registration number 06296993 (England and Wales)

BOND BRYAN ARCHITECTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

BOND BRYAN ARCHITECTS LIMITED

COMPANY INFORMATION

Directors	B Raw J Stibbons M Hutton Z Masters S Maslin P Severn	(Appointed 4 January 2022) (Appointed 4 January 2022)
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Company number	06296993
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Registered office	152 Rockingham Street Sheffield S1 4EB
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Auditor	Hart Shaw LLP Europa Link Sheffield Business Park Sheffield S9 1XU
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BOND BRYAN ARCHITECTS LIMITED

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BOND BRYAN ARCHITECTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business

2022 was a year of two significantly different parts. The first eight months of 2022 proved challenging for the business as the expected income stream from new projects in the education sector (both Further Education and Schools) were delayed until the second half of 2022. During this period the Company made a small loss. When funding was released for these projects and projects commenced from September onwards the fee income stream and profitability picked up and by the end of 2022 the budgeted profit had been achieved (with all of it being made in the final four months of the year).

Over the full year, turnover fell by 4.4% from £8.85m to £8.46m, as a result of the delay in projects starting in the early part of the year. Staff numbers reduced by an average of 16, which helped reduce salary costs in the year by 7% whilst overheads increased by 10% due to the return to normal patterns of working post COVID-19 and the continuation of higher Professional Indemnity insurance market rates.

The consequence of was that pre-tax profit was very similar to 2021 (£0.23m compared to £0.25m in 2021). As already noted, performance did improve significantly in the final four months of 2022 and this has been continued into the early months of 2023. Given the challenges faced in the early part of the year the Directors are extremely pleased with the current financial position of the business and the additional profit generated will enable further investment back into the business, its processes and people.

Geographically, the split in fee between North and South England was very similar to 2021; 53% of sales were generated in the South (2021: 54%). Whilst the Education sector remains the largest single sector for the business due to the project delays in the first part of 2022 it was considerably down on 2021 to 42% (2021: 54%) of net fee income. The importance of the strategy set by the Directors to diversify into different sectors to improve the resilience of the business has been highlighted with growth in Emergency services facilities, manufacturing and other sectors outside Education. However, a significant proportion of the growth of the business in 2023 is expected to come from the Education sector as the business retains its sector expertise.

In January 2022 the Company appointed two new Directors; Steve Maslin and Pete Severn as part of its succession planning process. As a continuation of this process, in March 2023 Jonathan Herbert and Geoff Halliwell left the business.

On behalf of the board

S Maslin
Director

9 June 2023

BOND BRYAN ARCHITECTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activities of the company are those of architecture and design.

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

G Halliwell	(Resigned 10 March 2023)
J Herbert	(Resigned 10 March 2023)
B Raw	
J Stibbons	
M Hutton	
Z Masters	
S Maslin	(Appointed 4 January 2022)
P Severn	(Appointed 4 January 2022)

Auditor

The auditor, Hart Shaw LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and research and development.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

S Maslin
Director

9 June 2023

BOND BRYAN ARCHITECTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

BOND BRYAN ARCHITECTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOND BRYAN ARCHITECTS LIMITED

Opinion

We have audited the financial statements of Bond Bryan Architects Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, the balance sheet 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

BOND BRYAN ARCHITECTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BOND BRYAN ARCHITECTS LIMITED

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 and the directors' report.

We have nothing to report in respect of the following matters where 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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.

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

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

At the planning stage we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management, as required by auditing standards. The potential effect of any laws and regulation on the financial statements can vary considerably. There are laws and regulations that directly affect the financial statements (e.g. the Companies Act) as well as many other operational laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Owing to the size, nature and complexity of the organisation and the applicable laws and regulations to which it must adhere, the risk of material misstatement was deemed to be low, therefore the procedures performed by the audit team were limited to:

- Communicating identified laws and regulations at planning throughout the audit team to remain alert to any indications of non-compliance throughout the audit.
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

BOND BRYAN ARCHITECTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BOND BRYAN ARCHITECTS LIMITED

We have assessed the overall susceptibility of the financial statements to material misstatement due to fraud. Management override is the most likely way in which fraud might present itself and is therefore inherently high risk on any audit. Management override which may cause there to be a material misstatement within the financial statements may present itself in a number of ways, for example:

- Override of internal controls (e.g. segregation of duties)
- Entering into transactions outside the normal course of business, especially with related parties
- Fraudulent revenue recognition, including fictitious sales and sales being recorded in the wrong period
- Presenting bias in accounting judgements and estimates, particularly the ones disclosed in note 2 to the financial statements.

In order to reduce the risk of material misstatement to an acceptable level, numerous audit procedures were performed including:

- Enquiries of management as to whether they had any knowledge of any actual or suspected fraud
- Review of material journal entries made throughout the year as well as those made to prepare the financial statements
- Reviewing the underlying rationale behind transactions in order to assess whether they were outside the normal course of business
- Increased substantive testing across all material income streams
- Assessing whether management's judgements and estimates indicated potential bias, particularly those disclosed in note 2 to the financial statements

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected material misstatements in the financial statements, even though we have performed our audit in accordance with auditing standards. Furthermore, as with all audits, there is a higher risk of irregularities (especially those relating to fraud) being undetected, as these may involve the override of internal controls, collusion, intentional omissions and misrepresentations etc. We are not responsible for preventing non-compliance or fraud and therefore cannot be expected to detect all instances of such. Our audit was not designed to identify misstatements or other irregularities that would not be considered to be material to the financial statements. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

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.

Adam Shield (Senior Statutory Auditor)
For and on behalf of Hart Shaw LLP

9 June 2023

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

BOND BRYAN ARCHITECTS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	8,461,772	8,846,495
Cost of sales		(5,997,349)	(6,599,538)
Gross profit		2,464,423	2,246,957
Administrative expenses		(2,231,689)	(1,997,171)
Operating profit	4	232,734	249,786
Interest payable and similar expenses	7	-	(22)
Profit before taxation		232,734	249,764
Tax on profit	8	106,475	(40,774)
Profit for the financial year		339,209	208,990
Retained earnings brought forward		1,520,371	1,311,381
Retained earnings carried forward		<u>1,859,580</u>	<u>1,520,371</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BOND BRYAN ARCHITECTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Goodwill	9		404,446		606,668
Other intangible assets	9		32,508		48,762
Total intangible assets			436,954		655,430
Tangible assets	10		314,347		217,045
Investments	11		62,500		62,500
			813,801		934,975
Current assets					
Debtors	13	4,133,799		4,177,577	
Cash at bank and in hand		270,072		186,400	
			4,403,871		4,363,977
Creditors: amounts falling due within one year	14	(1,278,623)		(1,720,634)	
Net current assets			3,125,248		2,643,343
Total assets less current liabilities			3,939,049		3,578,318
Provisions for liabilities					
Deferred tax liability	15	59,195		37,673	
			(59,195)		(37,673)
Net assets			3,879,854		3,540,645
Capital and reserves					
Called up share capital	17		10,406		10,406
Share premium account			2,009,868		2,009,868
Profit and loss reserves			1,859,580		1,520,371
Total equity			3,879,854		3,540,645

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 9 June 2023 and are signed on its behalf by:

S Maslin
Director

Company Registration No. 06296993

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Bond Bryan Architects Limited is a private company, limited by shares and incorporated in England and Wales. The registered office is 152 Rockingham Street, Sheffield, S1 4EB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Bond Bryan Architects (Holdings) Limited. These consolidated financial statements are available from its registered office, The Church Studio, Springvale Road, S10 1LP, United Kingdom.

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

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

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

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

Purchase of Name	useful life in line with goodwill
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1.7 Tangible fixed assets

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

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

Leasehold improvements	Over the life of the lease
Fixtures, fittings & equipment	15% - 33% straight line
Computer equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.9 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

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

Stage of completion - professional services

The group has a number of contracts for rendering of professional services which are treated in line with FRS102 s23. The group recognises revenue throughout the length of the contract based on its stage of completion. The stage of completion is measured based on labour costs incurred to date compared to cost to complete. Assessing the costs to complete involves a degree of estimations and as such actual outcomes can vary significantly from estimates.

Invoicing on contracts can be upfront or in arrears. As such, deferred income of £138,095 (2021 - £255,128) has been recognised along with accrued income of £316,192 (2021 - £351,237).

3 Turnover

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

	2022	2021
	£	£
Turnover analysed by geographical market		
UK	8,461,772	8,846,495

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	26,000	26,000
Depreciation of owned tangible fixed assets	123,297	135,463
Profit on disposal of tangible fixed assets	(11,871)	(60,399)
Amortisation of intangible assets	218,476	218,476
Operating lease charges	327,507	332,284

5 Employees

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

	2022	2021
	Number	Number
Directors	8	6
Administration	12	14
Technical	93	109
Total	113	129

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,763,572	5,077,494
Social security costs	547,770	556,713
Pension costs	158,354	163,252
	<u>5,469,696</u>	<u>5,797,459</u>

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	800,779	604,452
Company pension contributions to defined contribution schemes	39,500	30,319
	<u>840,279</u>	<u>634,771</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 8 (2021 - 6).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	117,967	113,672
Company pension contributions to defined contribution schemes	5,000	5,000
	<u>122,967</u>	<u>118,672</u>

7 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	-	22
	<u>-</u>	<u>22</u>

8 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(63,190)	(41,676)
Adjustments in respect of prior periods	(64,807)	85,172
	<u>(127,997)</u>	<u>43,496</u>
Total current tax		

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation (Continued)

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	21,522	(2,722)
	<u> </u>	<u> </u>
Total tax (credit)/charge	(106,475)	40,774
	<u> </u>	<u> </u>

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

	2022 £	2021 £
Profit before taxation	232,734	249,764
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	44,219	47,455
Tax effect of expenses that are not deductible in determining taxable profit	12,974	55,248
Permanent capital allowances in excess of depreciation	(31,622)	(22,297)
Amortisation on assets not qualifying for tax allowances	41,510	41,510
Research and development tax credit	(160,828)	(151,779)
Under/(over) provided in prior years	(64,807)	85,172
Utilisation of research and development tax losses	30,557	(11,813)
Deferred tax	21,522	(2,722)
	<u> </u>	<u> </u>
Taxation (credit)/charge for the year	(106,475)	40,774
	<u> </u>	<u> </u>

9 Intangible fixed assets

	Goodwill £	Purchase of Name £	Total £
Cost			
At 1 January 2022 and 31 December 2022	9,920,583	140,824	10,061,407
	<u> </u>	<u> </u>	<u> </u>
Amortisation and impairment			
At 1 January 2022	9,313,915	92,062	9,405,977
Amortisation charged for the year	202,222	16,254	218,476
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2022	9,516,137	108,316	9,624,453
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 December 2022	404,446	32,508	436,954
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	606,668	48,762	655,430
	<u> </u>	<u> </u>	<u> </u>

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Intangible fixed assets

(Continued)

The goodwill is being amortised evenly over the directors' estimate of its useful life of 10 years. At the year end, the remaining amortisation period of the goodwill is 3 years.

The purchase of name is being amortised evenly in line with the goodwill. At the year end, the remaining amortisation period is 3 years.

10 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2022	-	82,070	474,278	556,348
Additions	160,413	20,484	39,682	220,579
Disposals	-	(31,374)	(94,978)	(126,352)
At 31 December 2022	160,413	71,180	418,982	650,575
Depreciation and impairment				
At 1 January 2022	-	51,575	287,728	339,303
Depreciation charged in the year	-	8,846	114,451	123,297
Eliminated in respect of disposals	-	(31,374)	(94,998)	(126,372)
At 31 December 2022	-	29,047	307,181	336,228
Carrying amount				
At 31 December 2022	160,413	42,133	111,801	314,347
At 31 December 2021	-	30,495	186,550	217,045

11 Fixed asset investments

	Notes	2022 £	2021 £
Investments in associates	12	62,500	62,500

12 Associates

Details of the company's associates at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Bond Bryan Digital Limited	104 Clifton Street, London, EC2A 4DF, United Kingdom	Ordinary	20.00

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	2,373,616	2,029,771
Gross amounts owed by contract customers	316,192	351,237
Corporation tax recoverable	169,672	64,915
Amounts owed by group undertakings	823,045	1,167,614
Other debtors	47,287	78,090
Prepayments and accrued income	279,187	337,750
	<u>4,008,999</u>	<u>4,029,377</u>
Amounts falling due after more than one year:		
	£	£
Other debtors	124,800	148,200
	<u>124,800</u>	<u>148,200</u>
Total debtors	<u>4,133,799</u>	<u>4,177,577</u>

Amounts owed by group undertakings are unsecured and repayable on demand.

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Payments received on account	138,095	255,128
Trade creditors	386,262	460,417
Taxation and social security	492,090	682,166
Other creditors	5,463	10,322
Accruals and deferred income	256,713	312,601
	<u>1,278,623</u>	<u>1,720,634</u>

15 Deferred taxation

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

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
ACAs	<u>59,195</u>	<u>37,673</u>

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Deferred taxation (Continued)

	2022 £
Movements in the year:	
Liability at 1 January 2022	37,673
Charge to profit or loss	21,522
Liability at 31 December 2022	59,195

The deferred tax liability set out above is expected to reverse within 36 months and relates to the net book value of fixed assets being greater than the tax written down value of the same assets.

16 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	158,354	163,252

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2022 £	2021 £
Ordinary share capital		
Authorised		
803,115 Ordinary A shares of 1p each	8,031	8,031
237,500 Ordinary B shares of 1p each	2,375	2,375
50,000 Ordinary C shares of 1p each	500	500
	10,906	10,906
Issued and fully paid		
803,115 Ordinary A shares of 1p each	8,031	8,031
237,500 Ordinary B shares of 1p each	2,375	2,375
	10,406	10,406

The company has issued ordinary A and B shares. Each class of A & B share is entitled to one vote in any circumstances and shall have an equal right to share in any assets on liquidation or otherwise after payment of the company's liabilities.

18 Financial commitments, guarantees and contingent liabilities

The company has provided cross guarantees and debentures for its parent company Bond Bryan Architects (Holdings) Limited for two business loans taken out by Bond Bryan Architects (Holdings) Limited.

The total amount of the loans outstanding at the year end is £650,000 (2021 - £200,000).

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Operating lease commitments

Lessee

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

	2022 £	2021 £
Within one year	464,697	113,382
Between two and five years	346,731	15,414
	<u>811,428</u>	<u>128,796</u>

20 Events after the reporting date

On 10 March 2023 the parent company entered into a share buyback arrangement with departing shareholders. The amounts due as a result are summarised as follows:

Within one year - £743,507

Over one year - £356,493

21 Related party transactions

The company has provided guarantees against a loan held in Bond Bryan Architects (Holdings) Limited in the form of a charge over life policies of three of the directors, charges over stocks and cross guarantees supported by debentures from the company.

In the prior year, the company sold part of its operations for consideration in shares to the value of £62,500. The shares received gave the company significant influence in the purchaser Bond Bryan Digital Limited.

During the year, sales for recharged costs of £23,460 (2021 - £15,500) were made to Bond Bryan Digital Limited. At the year end, a balance of £53,292 (2021 - £nil) was owed to the company by Bond Bryan Digital Limited.

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

22 Directors' transactions

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
Interest free loan	-	171,600	(7,800)	163,800
		<u>171,600</u>	<u>(7,800)</u>	<u>163,800</u>

The loans were granted to the directors to fund the purchase of shares in Bond Bryan Architects (Holdings) Limited and are to be repaid over 5 and 10 year period in monthly intervals.

BOND BRYAN ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Ultimate controlling party

The immediate and ultimate parent company is Bond Bryan Architects (Holdings) Limited.

Bond Bryan Architects (Holdings) Limited is the largest and smallest group in which the Company is a member and for which group financial statements are drawn up. Bond Bryan Architects (Holdings) Limited is registered in England. Copies of the consolidated financial statements of Bond Bryan Architects (Holdings) Limited are available from the Company's registered office.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.