

**GROUP STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**  
**FOR**  
**BATES CONSORTIUM LIMITED**

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2022**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Consolidated Income Statement</b>	<b>10</b>
<b>Consolidated Other Comprehensive Income</b>	<b>11</b>
<b>Consolidated Balance Sheet</b>	<b>12</b>
<b>Company Balance Sheet</b>	<b>13</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>14</b>
<b>Company Statement of Changes in Equity</b>	<b>15</b>
<b>Consolidated Cash Flow Statement</b>	<b>16</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>17</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>18</b>

**BATES CONSORTIUM LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 December 2022**

**DIRECTORS:** Mr B R Fuller  
Mr C Fuller

**SECRETARY:** Mr B R Fuller

**REGISTERED OFFICE:** Walkers House  
School Road  
Rayne  
Essex  
CM77 6ST

**REGISTERED NUMBER:** 09007756 (England and Wales)

**AUDITORS:** Raffingers LLP, Statutory Auditor  
19-20 Bourne Court  
Southend Road  
Woodford Green  
Essex  
IG8 8HD

**GROUP STRATEGIC REPORT**  
**for the year ended 31 December 2022**

The directors present their strategic report of the company and the group for the year ended 31 December 2022.

**REVIEW OF BUSINESS**

Turnover has decreased to £12.6 million (2021: £14.9 million) but cost of sales has dropped at a higher rate, resulting in a gross profit of £6.3 million (2021: £5.6 million).

As shown in the profit and loss account, the operating profit for the year was £1,233,367 (2021 - £811,930).

The balance sheet on page 12 shows net assets of £807,090 (2021 - £1,587,110) at the end of the year, with a positive cash position of £2,130,386 (2021 - £1,997,087).

**STRATEGY**

The improving economic climate and continued major contracts allow the directors to announce that the current trading year continues with a strong order book and a number of new opportunities. The directors will continually review the marketplace and manage the risks to maintain and improve the company's profitability.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs. The group does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

**Competition risk**

The business environment in which the company operates continues to be very challenging and competitive pricing across the industry continues to put pressure on margins. However, the company's reputation for delivering high quality service and meeting tight deadlines where necessary has provided a crucial edge over competitors..

**Price risk**

The group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services purchased in the UK. The group has no exposure to equity securities price risk as it holds no listed or other equity investments.

**Liquidity risk**

The group actively maintains short-term debt finance that is designed to ensure that the group has sufficient available funds for operations and planned expansions.

**Interest rate risk**

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances which earn interest at fixed rate. The group has a policy of maintaining debt at a fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy if the operations of the group change in size or nature.

**GROUP STRATEGIC REPORT**  
**for the year ended 31 December 2022**

**KEY PERFORMANCE INDICATORS**

Customer satisfaction and retention - has improved over the years especially considering the relationships developed with our existing client base which is reflected in the increase in new contracts with existing customers.

- Employee Satisfaction - maintaining of staff morale has been a key factor in the group's growth. The group has introduced measures to evaluate and improve employee satisfaction.

- Gross profit margin - margin has been improving in the last few years due to constant monitoring and introduction of efficiencies.

	<b>2022</b>	<b>2021</b>	<b>Measure</b>
Gross profit margin	50.1%	37.9%	Gross profit/turnover

- Debtor days - debtor days have decreased due to better credit control and quicker settlements post Covid.

	<b>2022</b>	<b>2021</b>	<b>Measure</b>
Debtor days	31 days	41 days	Trade debtors/turnover

- Creditor days - the increase is due to reduction in cost of sales due to better monitoring of costs.

	<b>2022</b>	<b>2021</b>	<b>Measure</b>
Creditor days	36 days	36 days	Trade creditors/cost of sales

**ON BEHALF OF THE BOARD:**

Mr B R Fuller - Director

14 September 2023

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2022**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2022.

**GOING CONCERN**

The directors, who are also directors of Bates FMC Limited, a subsidiary, are of the opinion that adoption of going concern basis is not appropriate on the basis that Bates FMC Limited might not be able to generate sufficient income to meet the liabilities as they fall due. Therefore, the accounts for Bates FMC Limited were prepared on a break-up basis. The directors confirm that the assets are stated at their realisable values.

The directors have appointed a firm of liquidators to start the process.

The directors are confident that the group's financial position is not impacted by the above as the group has adequate reserves. Therefore the group accounts are prepared on a going concern basis.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2022 will be £ 346,700 .

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Mr B R Fuller

Mr C Fuller

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group 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 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2022**

**AUDITORS**

The auditors, Raffingers LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mr B R Fuller - Director

14 September 2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BATES CONSORTIUM LIMITED**

**Opinion**

We have audited the financial statements of Bates Consortium Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2022 and of the group's loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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's and the parent 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BATES CONSORTIUM LIMITED**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

**Other matter**

In the previous accounting period, the directors of the company took advantage of audit exemption under s477 of the Companies Act. Therefore, the prior period financial statements were not subject to audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BATES CONSORTIUM LIMITED**

**Auditors' 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 a Report of the Auditors 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the IT and property sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, employment, health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where necessary.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected transactions;
- tested the appropriateness of journal entries;
- tested authorisation of expenditure;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

To address the risk that revenue could be misstated due to fraud, we:

- we obtained an understanding of the company's revenue recognition policies and compared these to the accounting standard;
- performed a walkthrough to confirm our understanding of the processes and controls through which the business initiates, records, processes and reports revenue transactions;
- tested a sample of revenue transactions to supporting evidence; and
- tested, on a sample basis, revenue related balances in the balance sheet.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BATES CONSORTIUM LIMITED**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

Lee Elliot Manning (Senior Statutory Auditor)  
for and on behalf of Raffingers LLP, Statutory Auditor  
19-20 Bourne Court  
Southend Road  
Woodford Green  
Essex  
IG8 8HD

14 September 2023

**CONSOLIDATED  
INCOME STATEMENT  
for the year ended 31 December 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>	4	12,576,188	14,866,695
Cost of sales		<u>(6,275,979)</u>	<u>(9,225,241)</u>
<b>GROSS PROFIT</b>		6,300,209	5,641,454
Administrative expenses		<u>(5,066,842)</u>	<u>(4,888,000)</u>
		1,233,367	753,454
Other operating income		<u>-</u>	<u>60,476</u>
<b>OPERATING PROFIT</b>	6	1,233,367	813,930
Exceptional item	7	(1,326,245)	-
Loss on sale of investment	7	<u>(24,802)</u>	<u>-</u>
		(117,680)	813,930
Interest receivable and similar income		<u>6,682</u>	<u>304</u>
		(110,998)	814,234
Interest payable and similar expenses	8	<u>(29,029)</u>	<u>(17,075)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(140,027)	797,159
Tax on (loss)/profit	9	<u>(293,293)</u>	<u>(155,413)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u>(433,320)</u>	<u>641,746</u>
(Loss)/profit attributable to:			
Owners of the parent		(429,031)	635,393
Non-controlling interests		<u>(4,289)</u>	<u>6,353</u>
		<u>(433,320)</u>	<u>641,746</u>

The notes form part of these financial statements

**CONSOLIDATED**  
**OTHER COMPREHENSIVE INCOME**  
**for the year ended 31 December 2022**

Notes	2022 £	2021 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>	(433,320)	641,746
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>(433,320)</u>	<u>641,746</u>
Total comprehensive income attributable to:		
Owners of the parent	(429,030)	635,393
Non-controlling interests	<u>(4,290)</u>	<u>6,353</u>
	<u>(433,320)</u>	<u>641,746</u>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET****31 December 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Intangible assets	12	-	-	-	-
Tangible assets	13	298,538		315,656	
Investments	14	-		104,802	
		<u>298,538</u>		<u>420,458</u>	
<b>CURRENT ASSETS</b>					
Debtors	15	2,970,811		3,741,429	
Cash at bank and in hand		<u>2,130,386</u>		<u>1,997,087</u>	
		5,101,197		5,738,516	
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>4,354,828</u>		<u>4,057,600</u>	
<b>NET CURRENT ASSETS</b>			<u>746,369</u>		<u>1,680,916</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,044,907		2,101,374
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		(227,701)		(514,264)
<b>PROVISIONS FOR LIABILITIES</b>	21		<u>(10,116)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>807,090</u>		<u>1,587,110</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	22		8		8
Retained earnings	23		<u>792,908</u>		<u>1,568,639</u>
<b>SHAREHOLDERS' FUNDS</b>			792,916		1,568,647
<b>NON-CONTROLLING INTERESTS</b>	24		<u>14,174</u>		<u>18,463</u>
<b>TOTAL EQUITY</b>			<u>807,090</u>		<u>1,587,110</u>

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2023 and were signed on its behalf by:

Mr B R Fuller - Director

**BATES CONSORTIUM LIMITED (REGISTERED NUMBER: 09007756)**

**COMPANY BALANCE SHEET**

**31 December 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Intangible assets	12	-	-	-	-
Tangible assets	13	-	-	-	-
Investments	14	20,101	20,101	20,101	20,101
			20,101		20,101
<b>CURRENT ASSETS</b>					
Cash in hand		8		8	
<b>CREDITORS</b>					
Amounts falling due within one year	16	20,101	(20,093)	20,101	(20,093)
<b>NET CURRENT LIABILITIES</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			8		8
<b>CAPITAL AND RESERVES</b>					
Called up share capital	22	8	8	8	8
<b>SHAREHOLDERS' FUNDS</b>					
			8		8
Company's profit for the financial year		346,700		98,300	

The 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 14 September 2023 and were signed on its behalf by:

Mr B R Fuller - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 January 2021</b>	8	1,031,546	1,031,554	12,110	1,043,664
<b>Changes in equity</b>					
Dividends	-	(98,300)	(98,300)	-	(98,300)
Total comprehensive income	-	635,393	635,393	6,353	641,746
<b>Balance at 31 December 2021</b>	8	1,568,639	1,568,647	18,463	1,587,110
<b>Changes in equity</b>					
Dividends	-	(346,700)	(346,700)	-	(346,700)
Total comprehensive income	-	(429,031)	(429,031)	(4,290)	(433,321)
<b>Balance at 31 December 2022</b>	8	792,908	792,916	14,173	807,089

The notes form part of these financial statements



**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2021</b>	8	-	8
<b>Changes in equity</b>			
Dividends	-	(98,300)	(98,300)
Total comprehensive income	-	98,300	98,300
<b>Balance at 31 December 2021</b>	8	-	8
<b>Changes in equity</b>			
Dividends	-	(346,700)	(346,700)
Total comprehensive income	-	346,700	346,700
<b>Balance at 31 December 2022</b>	8	-	8

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT**  
**for the year ended 31 December 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	872,012	1,310,645
Interest paid		(17,640)	(2,302)
Interest element of hire purchase payments paid		(11,389)	(14,773)
		-	24,802
Tax paid		(175,061)	(23,100)
Net cash from operating activities		<u>667,922</u>	<u>1,295,272</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		-	(40,000)
Sale of tangible fixed assets		420	17,501
Sale of fixed asset investments		104,802	(24,802)
Interest received		6,682	304
Net cash from investing activities		<u>111,904</u>	<u>(46,997)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	250,000
Loan repayments in year		(121,875)	(30,141)
Capital repayments in year		(143,519)	(111,783)
Amount introduced by directors		(84,745)	52,280
Amount withdrawn by directors		50,312	(10,049)
Equity dividends paid		(346,700)	(98,300)
Net cash from financing activities		<u>(646,527)</u>	<u>52,007</u>
<b>Increase in cash and cash equivalents</b>		<u>133,299</u>	<u>1,300,282</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,997,087	696,805
<b>Cash and cash equivalents at end of year</b>	2	<u>2,130,386</u>	<u>1,997,087</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2022****1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022 £	2021 £
(Loss)/profit before taxation	(140,027)	797,159
Depreciation charges	99,512	147,718
Profit on disposal of fixed assets	(420)	(9,590)
Finance costs	29,029	17,075
Finance income	(6,682)	(304)
	<u>(18,588)</u>	<u>952,058</u>
Decrease in stocks	-	72,086
Decrease in trade and other debtors	815,972	49,685
Increase in trade and other creditors	<u>74,628</u>	<u>236,816</u>
<b>Cash generated from operations</b>	<u><u>872,012</u></u>	<u><u>1,310,645</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2022**

	31.12.22 £	1.1.22 £
Cash and cash equivalents	<u>2,130,386</u>	<u>1,997,087</u>

**Year ended 31 December 2021**

	31.12.21 £	1.1.21 £
Cash and cash equivalents	1,997,087	952,707
Bank overdrafts	<u>-</u>	<u>(255,902)</u>
	<u><u>1,997,087</u></u>	<u><u>696,805</u></u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.22 £	Cash flow £	At 31.12.22 £
<b>Net cash</b>			
Cash at bank and in hand	<u>1,997,087</u>	<u>133,299</u>	<u>2,130,386</u>
	<u>1,997,087</u>	<u>133,299</u>	<u>2,130,386</u>
<b>Debt</b>			
Finance leases	(238,471)	55,526	(182,945)
Debts falling due within 1 year	-	(137,500)	(137,500)
Debts falling due after 1 year	<u>(381,250)</u>	<u>259,375</u>	<u>(121,875)</u>
	<u>(619,721)</u>	<u>177,401</u>	<u>(442,320)</u>
<b>Total</b>	<u><u>1,377,366</u></u>	<u><u>310,700</u></u>	<u><u>1,688,066</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2022**

**1. STATUTORY INFORMATION**

Bates Consortium Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Comparatives**

In the previous accounting period, the company was entitled to audit exemption under s477 of the Companies Act as it was a small company. Therefore, comparatives were not subject to an audit.

**Going concern**

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The directors have made this assessment in respect to a period of one year from the date of approval of these accounts.

The directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. The directors are confident that the group will have sufficient resources to meet its liabilities as they fall due.

Directors consider that one of the subsidiaries, Bates FMC Limited, might not be able to generate sufficient income to meet the liabilities as they fall due. Therefore break-up basis of accounting has been adopted in preparing the financial statement of Bates FMC Limited. However, the directors are confident that this will not have a detrimental effect on the group as a whole.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised based upon an internal assessment of the value of work carried out. This assessment is arrived at after due consideration of the performance against the programme of works, measurement of the works, evaluation of the costs incurred and comparison to certification of the work performed.

**Goodwill**

Goodwill arising on an acquisition of a business is carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is calculated on a straight-line basis over the useful economic life.

For the purposes of impairment testing, goodwill is allocated to each of the company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Government grants**

Government grants, including non-monetary grants shall not be recognised until there is reasonable assurance that:  
(a) the entity will comply with the conditions attaching to them; and  
(b) the grants will be received.

**Financial instruments**

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities, including trade and other payables, bank loans, 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 receipts discounted at a market rate of interest.

**Taxation**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and 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 end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible timing differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Related parties**

For the purposes of these financial statements, a party is considered to be related to the company if:

- the party has the ability, directly or indirectly, through one or more intermediaries, to control the Company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company; or
- the company and the party are subject to common control; or
- the party is an associate of the company or a joint venture in which the company is a venturer; or
- the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals; or
- the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company; or
- the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

**Employee benefits**

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

The obligations for contributions to defined contribution scheme are recognised as an expense in the period they are incurred. The assets of the scheme are held separately from those of the company in an independently administered fund.

**Provisions**

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

**Investments**

Fixed asset investments are stated at cost less any provision for impairments.

**Short term debtors and creditors**

Short term debtors and creditors with no stated interest rate are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

The items in the accounts where these judgements and estimates have been made, include:

- estimating the useful economic life of tangible fixed assets for the purpose of calculating the depreciation charge;
- assessing the recoverability of outstanding debtors; and
- estimating the level of completion of projects to calculate accrued income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022**

**4. TURNOVER**

The turnover and loss (2021 - profit) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2022	2021
	£	£
IT services	11,856,947	13,493,820
Building services	719,241	1,372,875
	<u>12,576,188</u>	<u>14,866,695</u>

**5. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	3,456,574	3,153,778
Social security costs	388,353	349,205
Other pension costs	90,177	79,918
	<u>3,935,104</u>	<u>3,582,901</u>

The average number of employees during the year was as follows:

	2022	2021
Administrative	46	43
Engineers and technicians	38	33
	<u>84</u>	<u>76</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 84 (2021 - 76).

	2022	2021
	£	£
Directors' remuneration	<u>503,007</u>	<u>498,288</u>

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	<u>182,271</u>	<u>273,189</u>

**BATES CONSORTIUM LIMITED (REGISTERED NUMBER: 09007756)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022**

**6. OPERATING PROFIT**

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

	2022	2021
	£	£
Hire of plant and machinery	804	754
Other operating leases	1,272	4,916
Depreciation - owned assets	14,196	18,929
Depreciation - assets on hire purchase contracts	85,316	86,289
Profit on disposal of fixed assets	(420)	(9,590)
Goodwill amortisation	-	42,500

**7. EXCEPTIONAL ITEMS**

	2022	2021
	£	£
Exceptional item	(1,326,245)	-
Loss on sale of investment	(24,802)	-
	<u>(1,351,047)</u>	<u>-</u>

The exceptional item relates to irrecoverable loan between Bates I,T, Limited and Bates FMC Limited, being written off.

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank interest	3,660	1,211
Bank loan interest	13,980	1,091
Hire purchase	11,389	14,773
	<u>29,029</u>	<u>17,075</u>

**9. TAXATION**

**Analysis of the tax charge**

The tax charge on the loss for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	231,416	138,710
Under payment in prior year	42,581	16,703
Total current tax	<u>273,997</u>	<u>155,413</u>
Deferred tax	19,296	-
Tax on (loss)/profit	<u>293,293</u>	<u>155,413</u>

**Factors that may affect future tax charges**

From 1 April 2023, the corporation tax main rate for non-ring-fenced profits will be at to 25% applying to profits over £250,000. A small profits rate (SPR) will be available for companies with profits of £50,000 or less so that they will continue to pay Corporation Tax at 19%. Companies with profits between £50,000 and £250,000 will be required to pay tax at the main rate reduced by a marginal relief.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022****10. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**11. DIVIDENDS**

	2022 £	2021 £
Ordinary shares of £1 each		
Interim	<u>346,700</u>	<u>98,300</u>

**12. INTANGIBLE FIXED ASSETS****Group**

Goodwill  
£

**COST**

At 1 January 2022  
and 31 December 2022

90,000

**AMORTISATION**

At 1 January 2022  
and 31 December 2022

90,000

**NET BOOK VALUE**

At 31 December 2022

-

At 31 December 2021

-

**13. TANGIBLE FIXED ASSETS****Group**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 January 2022	25,185	39,977	705,048	770,210
Additions	-	-	82,394	82,394
At 31 December 2022	<u>25,185</u>	<u>39,977</u>	<u>787,442</u>	<u>852,604</u>
<b>DEPRECIATION</b>				
At 1 January 2022	21,629	35,277	397,648	454,554
Charge for year	889	1,174	97,449	99,512
At 31 December 2022	<u>22,518</u>	<u>36,451</u>	<u>495,097</u>	<u>554,066</u>
<b>NET BOOK VALUE</b>				
At 31 December 2022	<u>2,667</u>	<u>3,526</u>	<u>292,345</u>	<u>298,538</u>
At 31 December 2021	<u>3,556</u>	<u>4,700</u>	<u>307,400</u>	<u>315,656</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022****13. TANGIBLE FIXED ASSETS - continued****Group**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 January 2022	448,129
Additions	82,394
At 31 December 2022	<u>530,523</u>
<b>DEPRECIATION</b>	
At 1 January 2022	189,261
Charge for year	85,316
At 31 December 2022	<u>274,577</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>255,946</u>
At 31 December 2021	<u>258,868</u>

**14. FIXED ASSET INVESTMENTS**

	<b>Group</b>		<b>Company</b>	
	2022 £	2021 £	2022 £	2021 £
Shares in group undertakings	-	-	20,101	20,101
Other investments not loans	-	104,802	-	-
	<u>-</u>	<u>104,802</u>	<u>20,101</u>	<u>20,101</u>

Additional information is as follows:

**Group**

Investments (neither listed nor unlisted) were as follows:

	2022 £	2021 £
Vintage cars	<u>-</u>	<u>104,802</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022**

**14. FIXED ASSET INVESTMENTS - continued**

**Company**

Shares in  
group  
undertakings  
£

**COST**

At 1 January 2022  
and 31 December 2022

20,101

**NET BOOK VALUE**

At 31 December 2022  
At 31 December 2021

20,101

20,101

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Bates I.T. Limited**

Registered office: Inside United Kingdom  
Nature of business: Computer Related Activities

Class of shares:	%
Ordinary	holding 100.00

**Bates Professional Services Limited**

Registered office: Inside United Kingdom  
Nature of business: IT Professional Services

Class of shares:	%
Ordinary	holding 100.00

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

	<b>Group</b>	
	2022	2021
	£	£
Trade debtors	1,062,555	1,682,387
Amounts owed by associates	917,563	865,563
Other debtors	189,707	162,033
Directors' current accounts	130,970	96,537
Deferred tax asset	-	9,180
Accruals	670,016	925,729
	<u>2,970,811</u>	<u>3,741,429</u>

Deferred tax asset

	<b>Group</b>	
	2022	2021
	£	£
Accelerated capital allowances	<u>-</u>	<u>9,180</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022****16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 18)	137,500	-	-	-
Hire purchase contracts (see note 19)	77,119	105,457	-	-
Trade creditors	652,316	910,388	-	-
Amounts owed to group undertakings	1,326,245	-	-	-
Tax	237,646	138,710	-	-
Social security and other taxes	333,685	636,954	-	-
Other creditors	961,709	1,055,235	-	-
Directors' current accounts	-	-	20,101	20,101
Accrued expenses	628,608	1,210,856	-	-
	<u>4,354,828</u>	<u>4,057,600</u>	<u>20,101</u>	<u>20,101</u>

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	2022	2021
	£	£
Bank loans (see note 18)	121,875	381,250
Hire purchase contracts (see note 19)	105,826	133,014
	<u>227,701</u>	<u>514,264</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

		<b>Group</b>	
		2022	2021
		£	£
Amounts falling due within one year or on demand:			
Bank loans		<u>137,500</u>	<u>-</u>
Amounts falling due between one and two years:			
Bank loans - 1-2 years		<u>121,875</u>	<u>381,250</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022****19. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	77,119	105,457
Between one and five years	105,826	133,014
	<u>182,945</u>	<u>238,471</u>

**20. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	2022	2021
	£	£
Bank loans	259,375	381,250
Hire purchase contracts	182,945	238,471
Invoice financing	519,216	618,166
	<u>961,536</u>	<u>1,237,887</u>

Bank loans were received under Coronavirus Business Interruption Scheme. The facility is supported by the Enterprise Finance Guarantee programme, managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy.

Hire purchases are secured by the underlying assets.

Funding advance from IISBC plc is secured by a charge over the debtors book and a fixed and floating charge over the assets and undertakings of the company.

**21. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	<u>10,116</u>	<u>-</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 January 2022		(9,180)
Provided during year		19,296
Balance at 31 December 2022		<u>10,116</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022****22. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
4	Ordinary	£1	4	4
1	Ordinary A	£1	1	1
2	Ordinary B	£1	2	2
1	Ordinary C	£1	1	1
			<u>8</u>	<u>8</u>

**23. RESERVES****Group**Retained  
earnings  
£

At 1 January 2022	1,568,639
Deficit for the year	(429,031)
Dividends	(346,700)
At 31 December 2022	<u>792,908</u>

**24. NON-CONTROLLING INTERESTS**

This consists of 0.99% share in Bates I.T. Ltd, owned by Mrs K Fuller.

**25. PENSION COMMITMENTS**

The company operates a defined contribution scheme. During the year the company contributed £90,177 (2021: £79,918). At the year end the company had a liability of £23,966 (2021 - £27,506).

**26. CONTINGENT LIABILITIES**

The group had no contingent liabilities at 31 December 2022 and 31 December 2021.

**27. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2022 and 31 December 2021:

	2022 £	2021 £
<b>C Fuller</b>		
Balance outstanding at start of year	116,638	168,920
Amounts advanced	35,344	-
Amounts repaid	-	(52,282)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>151,982</u>	<u>116,638</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2022**

27. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

**B R Fuller**

Balance outstanding at start of year	-	-
Amounts advanced	29,299	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>29,299</u>	<u>-</u>

28. **RELATED PARTY DISCLOSURES**

Included in debtors falling due within one year is a balance of £917,563 (2021:£865,563) owed by Bates Real Estates Limited, a company with common directors. The loan is interest free.

Wives of directors, Barry Fuller and Chris Fuller, were paid salaries totalling £281,257 during the year.

29. **AUDITOR LIABILITY LIMITATION AGREEMENT**

The company has entered into a liability limitation agreement with Raffingers LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 December 2022. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the members on 3 May 2023.

30. **POST BALANCE SHEET EVENTS**

Subsequent to the year end, the directors have appointed KRE Corporate Recovery Limited to start the process of liquidation of Bates FMC Limited, a subsidiary.

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.