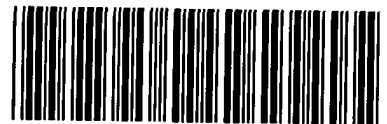


**Bristow & Sutor**

**Annual report and financial  
statements**

Registered number 01431688  
For the year ended 31 March 2023

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## Contents

Strategic report	1
Directors' report	4
Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' report and the financial statements	7
Independent auditor's report to the members of Bristow & Sutor	8
Profit and Loss Account and Other Comprehensive Income	12
Balance Sheet	13
Statement of changes in equity	14
Notes	15

## Strategic report

The Directors present their strategic report for the year ended 31 March 2023.

The Company is part of a group of companies of which Bristow & Sutor Topco Limited is the ultimate parent company ('the Group'). The Group provides debt resolution services to local and central government, utility firms, private parking operators and other corporate clients.

The Company itself was founded in 1977 and has a strong reputation in the local authority marketplace. Since the acquisitions of Debt Recovery Plus Limited and Credit Style Limited in 2018 and 2019, the Group has diversified into the private debt sector and broadened its service offering to encompass pre-legal debt collection and legal services as well as enforcement. It has also won enforcement contracts outside of its traditional local authority client base such as with Transport for London.

The Group helps clients resolve a wide variety of unpaid debt types including council tax, non-domestic rates, penalty charge notices, private parking charge notices, commercial debt (business-to-business) and consumer (including FCA-regulated) debt. Credit Style Limited is also a SRA-regulated law firm.

The Group has undertaken significant investment in technology to enhance operational performance and provide exceptional client service, using data science and behavioural science to connect with customers, identify those who may be vulnerable to clients, and deploy bespoke collection strategies.

### Review of business

The Board considers its key performance indicator to be that of profit before tax and is pleased to report a pre-tax profit of £2,193,989 (2022: £1,070,899).

In December 2022, the Group entered into a Senior Facilities Agreement with certain affiliates, related funds and managed accounts of PGIM, Inc., the investment management business of Prudential Financial, Inc. This agreement gave the Group access to £80 million of senior and mezzanine facilities with termination dates of six and seven years respectively and a £1 million revolving credit facility. The senior and mezzanine facilities were drawn down on completion of the agreement and used to repay the Group's existing bank loans in full, providing the Group with long-term funding to support its growth strategy.

### Principal risks and uncertainties

The Group faces a number of internal and external factors and influences that create uncertainty, and which give rise to risks to meeting business objectives. These risks fall under the following ten areas:

- Strategic – risk that reform and increased regulation may adversely affect performance of the business model if not adapted.
- Brand & reputation – risk that the Group's brand may be impacted by negative consumer commentary, inherent in certain markets and more pronounced in the current socio-economic climate.
- Client relations – risk that strategic transformation and growth impedes proactive collaboration and support across the client population.
- Operational delivery – risk that capacity and development does not keep pace with demand.
- Information security – risk that cyber defences may be compromised by the evolving threat landscape.
- Systems & technology – risk that the functionality of legacy systems will fail to harness opportunities to deliver optimal performance and efficiency.
- People – risk that business targets may be adversely impacted due to resourcing challenges.
- Finance – risk to the availability of ongoing investment if financial targets not being met.
- Legal & compliance – risk that an increase in contentious responses to debt resolution will impact performance and reputation despite strong support for rapidly evolving compliance regimes.
- Transformation & change – risk that realisation of the benefits of a robust transformation programme may be delayed by pursuing multiple challenges concurrently.

The Group's Risk Management Policy communicates the Board's commitment to maintaining effective enterprise-wide risk management, including compliance management systems, and to promote a risk-aware culture. It defines

## Strategic report (continued)

roles and responsibilities, approach and monitoring, and mandates a “three lines of defence” model to enhance the integrity of the Group’s operations through independence of review and reporting on risk and control matters.

The Board also articulates the type and degree of risk that it is willing to tolerate in the pursuit of its business objectives through a Risk Appetite Statement (RAS). The RAS provides an overarching framework within which the business operates, both in terms of defining strategy and plans, policies and control procedures, as well as protecting the business from unacceptable levels of risk. The RAS is a key element of the Group’s risk management framework, driving the identification, assessment, management and reporting of risks faced by the business.

The Board has delegated responsibility for oversight of the risk management framework to the Risk, Audit & Compliance Committee (RACC). The RACC provides a focal point for risk management, compliance and assurance activities and related reporting across the Group. It provides assurance to the Board that a robust risk management framework is in place, including effective systems of internal control.

In addition to the RACC, the Group’s governance structure is comprised of a number of committees and forums which collectively report into the Board and provide oversight of the full spectrum of business risks.

Timely management information flows from business areas, operations and functions to these committees and forums, and ultimately to the Board, providing a ‘clear line of sight’ and expediting the decision- making process.

The Group’s Risk Management Framework Manual provides practical guidance on how risk management is carried out. An enterprise-wide approach to the identification and assessment of business risk is adopted, with risks classified under one of the ten risk categories.

Risks are captured in a risk register, which serves as the source document for informing stakeholders on key areas of risk and how the Group is managing those risks on an ongoing basis.

The scoring of a risk enables an understanding of its significance and the prioritisation of any risk mitigating actions. A scoring matrix is used based on likelihood of the risk occurring and severity.

Each risk is scored first on an inherent basis and then after consideration of internal controls and other risk mitigation measures. The outcome of the risk assessment is compared against the Group’s risk appetite, and where risks are deemed to be outside appetite, risk mitigating actions are put in place. Risk decisions are recorded in the risk register and subject to reporting to the RACC.

The effectiveness of key internal controls is subject to independent assurance through the ISO accreditation process, compliance monitoring or other audit work carried out as part of the annual Assurance Plan.

### Future developments

The Company continues to increase headcount and to invest in technology and equipment. Employing a majority of its enforcement agents, further development of its case management system and a focus on integrity and ethical collection practices will remain key factors in optimising collection performance while protecting the reputation of clients.

### Outlook

The Directors expect the improvement in financial performance to continue into the year ending 31 March 2024. The ‘cost-of-living’ crisis presents a challenge to both collection performance and cost control but the macro-economic climate may result in a greater need for debt resolution services from the Group’s diverse client base.

### Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons.

The demand for debt resolution services which use technology to apply the most effective collection strategy while identifying vulnerable debtors at the earliest opportunity is expected to remain strong among the Group’s private sector and public sector client base.

## Strategic report (continued)

The directors have reviewed cash flow forecasts and accompanying covenant compliance calculations applicable to the new facilities for the period of 12 months from the signing of these financial statements which include what they consider to be reasonably possible downside scenarios. These cash flow forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period.

By order of the board



**BW Maynard**  
Director

6 October 2023

## Directors' report

The Directors present their report with the financial statements of the company for the year ended 31 March 2023. Bristow & Sutor is a private unlimited company.

### Dividends

Dividends of £2,302,494 were paid in the current year (2022: £2,271,676).

### Directors

The Directors shown below have held office to the date of this report:

RJ Sutor  
BW Maynard  
S Ring  
S Leach (resigned 1 Jan 2023)

### Financial risk management objectives and policies

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations.

During the year the company has been exposed to credit risk, liquidity risk and cash flow risk.

### Employment of disabled persons

The board are committed to an inclusive workforce that fully represents many different cultures, backgrounds and viewpoints. Our approach to equality, diversity, inclusion and anti-racism underpins this and ensures we treat all colleagues with fairness and respect.

As an equal opportunity employer, the Group makes every effort to ensure disabled persons are not discriminated against on the grounds of their disability. We see through any disability to the ability and potential of our colleagues and ensure support is provided, including through reasonable adjustments, to allow colleagues to realise their full potential and pursue a fulfilling career.

In the event of colleagues becoming disabled, every effort is made to ensure their employment continues and appropriate adjustments to support them, including retraining where relevant, are arranged. To endorse this, Bristow & Sutor are registered as Disability Confident

We believe we are stronger as an organisation as a result of the diversity represented by our team.

### Employees' involvement

The Directors believe that colleague engagement and involvement is fundamental to the health and success of our business.

We encourage and promote this through a comprehensive framework which includes communication, collaboration, investment and involvement.

Our business strategy is cascaded to colleagues to help them understand the valuable contribution they make in delivering this. Colleagues are also kept informed on a real-time basis of significant Group news, including new developments, through its effective cascade process via its Intranet, face to face townhall meetings and various other forums supporting colleague briefings. Feedback and questions from colleagues are encouraged and welcomed.

Colleague input is sought via the Colleague Forum on a variety of subjects including proposed changes as we recognise that colleague have a valuable perspective and want them to have a voice.

### Environmental, social and governance reporting

The Board is committed to embedding strong environmental, social and governance ('ESG') principles throughout the business to promote positive change and help create authentic, sustainable, long-term value for all stakeholders. This objective is encapsulated in the Group's three-year plan, which we are now in the second year of.

## Directors' report (continued)

Given the reach of ESG is vast and the range of themes is broad, we have prioritised the areas that have the most impact on the business and that matter most to our stakeholders and the communities we work within which are as follows:

### *Environmental*

Our focus is on limiting and reducing the carbon emissions produced in providing our services which include the heating of offices, running the vehicle fleet and the treatment of waste.

In measuring our carbon footprint annually since 2021 we have confirmed that our fleet is the greatest source of carbon emissions across our Group and are confirming our route to becoming carbon neutral as part of our three-year action plan.

One method of reducing carbon emissions is to reduce the number of enforcement visits that do not result in a customer contact by improving our ability to identify and trace customers and undertake visits at the most appropriate time. We are also taking steps to reduce emissions, including upgrading our vans to ensure they meet Clean Air Zone emissions standards, increasing the number of hybrid vehicles in the fleet, and supporting colleagues to develop driving behaviours which maximise miles per gallon and reduce emissions.

To manage our environmental impact effectively, we have to think about the waste we create and how it is managed. All the paper used in the outsourced printing of our customer communications is certified to Forestry Stewardship Council standards, which means it comes from well-managed forests and recycled sources. An audit of our suppliers has also confirmed that the majority of our waste is sorted and processed to avoid contributing to landfill, including specialist recycling for confidential shredding, toner cartridges, and electronics, and manual sifting services for general waste to identify recoverable materials and redirect non-recyclable materials to energy production facilities.

### *Social*

In performing its business activities, the Group has a very real impact on different groups of people in society. It is important to recognise the value of debt resolution services in maintaining our social fabric, and in supporting the proper functioning of the economy as well as upholding the rule of law, by ensuring that creditors are paid. The Group is keen to ensure that its approach, when resolving these problem debt situations, is sensitive to customers and colleagues and in the best interest of clients, to fulfil its overriding purpose of changing the face of debt resolution.

This approach includes working with our charity partner, The Money Charity, to provide customers with financial education, identifying vulnerable customers and using technology and plain language to ensure that all interactions with customers are open and clear. The Money Charity delivers financial wellbeing and literacy education to young people and adults across the UK and our donations fund workshops in communities where we provide enforcement and debt collection services. Since the beginning of the partnership in 2021, we have funded the delivery of over sixty hours of workshops, reaching over 1200 participants.

The cost-of-living crisis has impacted people all over the UK, and supporting customers and colleagues through this has been a key focus for us. As early as October 2022, we delivered cost of living training to all office-based customer-facing colleagues, providing information about the crisis and advice on how to support those worst impacted. We also provided additional support to colleagues, including developing our Employee Assistance Programme and establishing Mental Health First Aiders across the business.

Supporting customers to find sustainable solutions to their financial problems is a key element of our Purpose. With this in mind, we have implemented a direct referral link to the Money Adviser Network, which gives our customers the opportunity to access debt advice without worrying about whether their local services have capacity. Our partnership allows us to refer customers for immediate call-back from a debt adviser, helping to overcome many of the obstacles that prevent people from seeking debt advice, and connecting them with the support they need to find a sustainable resolution to their case.

We also regularly speak to national and local debt advice providers to better understand the debt landscape. As national members of the Money Advice Liaison Group, we attend events throughout the year to learn more about the pressures on our customers, and to offer a debt resolution perspective. This allows us to develop equitable solutions for our customers.

## Directors' report (continued)

Identifying and protecting customers who are experiencing vulnerability is a fundamental aspect of the services we provide, especially considering the breadth of our customer base. We regularly come into contact with individuals who are in vulnerable circumstances, and we adapt our approach to ensure they are given the highest standards of support. All our customer-facing colleagues are trained to identify and support vulnerable customers, and we provide additional support through our Welfare and Safeguarding teams, who have specific training and experience to support those most in need.

We recognise the importance of developing a supportive and inclusive culture, to drive colleague engagement and build a successful and sustainable business, benefitting everyone. We've made considerable progress in bringing together three businesses and developing a unified culture, with positive colleague experience at the forefront.

In the consumer credit sector, the FCA Consumer Duty is a step-change in the approach to customer service that regulated businesses are expected to meet. While only a small portion of our group's business is regulated, we are using the implementation of the Duty to consider how we can raise standards across all our customer groups.

### *Governance*

Our governance framework, from the Board to the individual policies and procedures, is central to the successful performance of our business. It shapes everything we do in the business, the decisions we make, the activities we carry out, in order to achieve the best outcomes for all our stakeholders.

The Board are entirely focussed on adapting the business' governance framework to consistently embed the ESG principles and practices within the business, underpinning its business strategy to achieve its strategic objectives. In 2023 we will be continuing to embed ESG across the business by developing stakeholder groups to directly engage with people who have an interest in our business. We will also be augmenting our ESG reporting by identifying an external reporting standard to benchmark ourselves against other businesses in our industry, in the UK, and across the globe.

Across our businesses and debt types, we work under the oversight of regulators, professional bodies, and membership organisations. Due to the diversity of sectors/debt types we work within, we benefit from the insights and knowledge of these organisations and have the opportunity to bring best practice across industry borders to improve our services for all our stakeholders.

In the civil enforcement sector in which some group companies operate, the Enforcement Conduct Board ('ECB'), was recently formed following collaboration between enforcement agencies and debt advice providers. The ECB aims to provide oversight for the civil enforcement industry, bringing increased understanding and confidence for customers, and we support it in achieving its objectives.

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**BW Maynard**  
Director

Bartleet Road  
Washford  
Redditch  
Worcestershire  
B98 0FL

6 October 2023



**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG LLP**

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOW & SUTOR**

**Opinion**

We have audited the financial statements of Bristow & Sutor ("the company") for the year ended 31 March 2023 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

## **Fraud and breaches of laws and regulations – ability to detect**

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management and directors;
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent recognition of compliance fee accrued income estimated as at year end and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.
- Assessing significant accounting estimates for bias.
- Assess the appropriateness of the selection and application of the methods, assumptions and data for the estimated compliance fee recognized by management

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

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), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection

of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We assessed the legality of the distribution in the period based on assessing level of distributable profits.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Daniel Burrows (Senior Statutory Auditor) for and  
on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

One Snowhill

Snow Hill Queensway

Birmingham B4 6GH

United Kingdom

6 October 2023

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 March 2023*

	<i>Note</i>	2023 £	2022 £ <i>(Restated*)</i>
Turnover	2	28,994,793	21,147,283
Administrative expenses		(26,800,804)	(19,913,394)
<b>Operating profit</b>		<b>2,193,989</b>	<b>1,233,889</b>
Impairment of Intangible Fixed Asset		-	(163,000)
<b>Profit before tax</b>		<b>2,193,989</b>	<b>1,070,889</b>
Taxation	6	(14,158)	(94,298)
<b>Profit for the financial year being total comprehensive income</b>		<b>2,179,831</b>	<b>976,591</b>

All results relate to continuing activities.

The notes on pages 15 to 26 form an integral part of these financial statements.

*\*Restated (see note 1.2)*

**Balance Sheet**  
*at 31 March 2023*

	Note	£	2023 £	£	2022 £
<b>Fixed assets</b>					(Restated*)
Intangible assets	8		5,555,776		4,781,498
Tangible assets	9		1,206,265		1,418,892
			<u>6,762,041</u>		<u>6,200,390</u>
<b>Current assets</b>					
Debtors	10	4,242,049		2,161,776	
Cash at bank and in hand	11	3,702,989		3,449,856	
			<u>7,945,038</u>	<u>5,611,632</u>	
<b>Creditors: amounts falling due within one year</b>	12	(9,423,142)		(6,405,422)	
<b>Net current liabilities</b>			<u>(1,478,104)</u>		<u>(793,790)</u>
<b>Total assets less current liabilities, being net assets</b>			<u>5,283,937</u>		<u>5,406,600</u>
<b>Capital and reserves</b>					
Called up share capital	14		100,500		100,500
Profit and loss account			5,183,437		5,306,100
<b>Shareholders' funds</b>			<u>5,283,937</u>		<u>5,406,600</u>

The notes on pages 15 to 26 form an integral part of these financial statements.

\*Restated (see note 1.2)

These financial statements were approved by the Board of Directors on 6 October 2023 and were signed on its behalf by:



**BW Maynard**  
Director

Company registered number: 1431688

**Statement of changes in equity**  
*for the year ended 31 March 2023*

	Called up share capital £	Profit and loss account (Restated*) £	Total equity (Restated*) £
<b>Balance at 1 April 2021</b>	<b>100,500</b>	<b>6,601,185</b>	<b>6,701,685</b>
<b>Total comprehensive income for the period</b>			
Profit for the year	-	976,591	976,591
	<hr/>	<hr/>	<hr/>
<b>Transactions with owners, recorded directly in equity</b>			
Distribution of dividend	-	(2,271,676)	(2,271,676)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2022</b>	<b>100,500</b>	<b>5,306,100</b>	<b>5,406,600</b>
	<hr/>	<hr/>	<hr/>
<b>Balance at 1 April 2022</b>	<b>100,500</b>	<b>5,306,100</b>	<b>5,406,600</b>
	<hr/>	<hr/>	<hr/>
<b>Profit for the period being total comprehensive income</b>	<b>-</b>	<b>2,179,831</b>	<b>2,179,831</b>
Profit for the period being total comprehensive income	-	2,179,831	2,179,831
	<hr/>	<hr/>	<hr/>
<b>Transactions with owners, recorded directly in equity</b>			
Distribution of dividend	-	(2,302,494)	(2,302,494)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2023</b>	<b>100,500</b>	<b>5,183,437</b>	<b>5,283,937</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 15 to 26 form an integral part of these financial statements.

*\*Restated – see note 1.2*



## Notes

*(forming part of the financial statements)*

### 1 Accounting Policies

Bristow & Sutor (the "Company") is a private company incorporated, domiciled, and registered in England in the UK. The registered number is 01431688 and the registered address is Bartleet Road, Washford, Redditch, Worcestershire, B98 0FL.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in March 2019 have been early adopted by the Group. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

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

The company's ultimate parent undertaking, Bristow & Sutor Topco Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Bristow & Sutor Topco Limited are available by written request from Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW. In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes.
- Key management personnel compensation.
- Disclosures in respect of transactions with wholly-owned subsidiaries

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

As the consolidated financial statements of Bristow & Sutor Topco Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 17.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Prior Year Restatement

During the year the Company implemented a new revenue recognition policy in respect of compliance stage fee income earned from its enforcement activities. The directors have concluded that not only is it probable that revenue will be earned from cases which have completed the compliance stage, but that this can be measured reliably using the probability that cases will subsequently be resolved, based on historical data of actual resolution rates with a discount applied to take into account collection risk, and multiplying this by the fixed fee applicable to the compliance stage. An accrual for future compliance fee income from such cases has therefore been included in these financial statements.

As a result of this change in accounting policy, a prior year restatement has been made to the Profit and Loss, Balance Sheet and Statement of changes in equity to restate prior year numbers on a comparable basis.

#### *Profit and Loss*

The compliance fee income increased Turnover for the year ended 31 March 2022 by £215,629.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Profit and Loss Account and Other Comprehensive Income* for the year ended 31 March 2022

	As previously reported £	Restatement £	Total £ <i>(Restated)</i>
<b>Turnover</b>	20,931,654	215,629	<b>21,147,283</b>
Administrative expenses	(19,913,394)	-	<b>(19,913,394)</b>
Other operating income	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Operating profit</b>	<b>1,018,260</b>	<b>215,629</b>	<b>1,233,889</b>
	<hr/>	<hr/>	<hr/>
Impairment of Intangible Fixed Asset	(163,000)	-	<b>(163,000)</b>
<b>Profit before tax</b>	<b>855,260</b>	<b>215,629</b>	<b>1,070,889</b>
	<hr/>	<hr/>	<hr/>
Taxation	(94,298)	-	<b>(94,298)</b>
	<hr/>	<hr/>	<hr/>
<b>Profit for the financial year being total comprehensive income</b>	<b>760,962</b>	<b>215,629</b>	<b>976,591</b>
	<hr/>	<hr/>	<hr/>

#### *Balance Sheet*

The compliance fee income is included in Prepayments and accrued income on the Balance Sheet. As a result, the prior year Debtors balance has been restated to £2,161,776 increasing the net assets of the company by £669,534 to £5,406,600.

#### *Debtors for the year ended 31 March 2022*

	As previously reported £	Restatement £	Total £ <i>(Restated)</i>
Trade debtors	630,103	-	<b>630,103</b>
Amounts owed by group undertakings	-	-	-
Other debtors	61,661	-	<b>61,661</b>
Deferred tax assets (see note 13)	-	-	-
Prepayments and accrued income	314,025	669,534	<b>983,559</b>
Corporation tax	486,453	-	<b>486,453</b>
	<hr/>	<hr/>	<hr/>
	<b>1,492,242</b>	<b>669,534</b>	<b>2,161,776</b>
	<hr/>	<hr/>	<hr/>

## Notes (continued)

### 1 Accounting policies (continued)

#### *Statement of changes in Equity*

The impact on Turnover relating to the periods ending before 31 March 2022 of £453,905, is included as a restatement in the Statement of changes in equity.

#### *Statement of changes in equity for the year ended 31 March 2022*

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 April 2021	100,500	6,147,280	6,247,780
Adjustment to b/f reserves		453,905	453,905
<b>Balance at 1 April 2021 (Restated)</b>	<b>100,500</b>	<b>6,601,185</b>	<b>6,701,685</b>

### 1.3 Going concern

Notwithstanding net current liabilities of the Company of £1,488,356 as at 31 March 2023, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is part of the Bristow & Sutor Topco Limited group. The Company's ability to operate as a going concern is directly linked to the Group's position.

The directors of the Group have performed a going concern assessment for a period of 12 months from the date of approval of those financial statements which indicates that, taking account of reasonably possible downsides, the Group will have sufficient funds, to meet its liabilities as they fall due during the going concern assessment period. The Group's assessment was made available to the Company. On 21 December 2022, the Group entered into a re-financing transaction with certain affiliates, related funds and managed accounts of PGIM, Inc., the investment management business of Prudential Financial, Inc ('PGIM'). This replaces the existing bank debt and includes senior notes and mezzanine notes payable in December 2028 and December 2029, respectively.

The Company is dependent on the ultimate parent company not seeking repayment of the amounts currently due to the Group entities, which at the reporting date amounted to £4,187,250 and providing additional financial support for a period of at least 12 months from the date of approval of these financial statements. The ultimate parent company has indicated its intention to continue to make available such funds as are needed by the Company during the going concern period.

As with any Company placing reliance on other Group entities for financial support, the directors of the Company acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Therefore, the directors consider, after making appropriate enquiries, that the Company has adequate resources to continue as a going concern and that the Company will be able to meet its obligations during the going concern period. Accordingly, the directors have adopted a going concern basis in preparing these financial statements.

## Notes (continued)

### 1 Accounting policies (*continued*)

#### 1.4 *Classification of financial instruments issued by the Company*

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### 1.5 *Basic financial instruments*

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

#### 1.6 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 Tangible fixed assets (continued)

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a reducing balance basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- fixtures, fittings and equipment 25% reducing balance
- motor vehicles 25% reducing balance

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

#### 1.8 Intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. These also include costs directly attributable to the development of software used by the Company in its operations, comprising primarily of employee costs.

##### *Amortisation*

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software 4 years

#### 1.9 Impairment excluding stocks, and deferred tax assets

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

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

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

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than, stocks, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9 Impairment excluding stocks, and deferred tax assets (continued)

not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 1.10 Employee benefits

##### *Defined contribution plans and other long-term employee benefits*

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

#### 1.11 Turnover

Turnover represents the total invoice value, excluding value added tax, of services provided during the year.

Turnover is measured at fair value and is recognised to the extent that it is probable the economic benefits will flow to the company, and it can be measured reliably. Turnover takes into account trade discounts, prompt settlement discounts and volume rebates offered.

Turnover is recognised on cases completing the fixed fee compliance stage process where the fee has not yet been recovered in full. The turnover is calculated based on the number of open cases completing the compliance stage, the probability that these cases will generate future revenue based upon historical collection levels with an appropriate provision for collection risk, and the compliance stage fixed fee.

#### 1.12 Expenses

##### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Interest receivable and Interest payable*

Interest payable and similar expenses include interest payable.

Other interest receivable and similar income include interest receivable.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

#### 1.13 Taxation

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences are not provided for differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.13 Taxation (continued)

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

#### 1.14 Government grants

Government grants are credited to the profit and loss account in the periods in which the related costs are incurred. Amounts recognised in the profit and loss are presented in other operating income.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

### 3 Expenses and auditor's remuneration

*Included in profit/loss are the following:*

	2023 £	2022 £
Depreciation – owned assets	347,286	346,125
Amortisation & impairment of intangible assets	1,055,239	1,225,249
(Profit) on disposal of tangible fixed assets	(37,853)	(19,557)
	<u>          </u>	<u>          </u>
<i>Auditor's remuneration:</i>		
Audit of these financial statements	94,239	77,000
	<u>          </u>	<u>          </u>

### 4 Staff numbers and costs

Staff, including all enforcement agents, are employed by a separate Group company. The Company does not therefore employ any staff of its own.

### 5 Directors' remuneration

The directors received no remuneration from the company during the current year or preceding year.

## Notes (continued)

### 6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2023 £	2022 £
<i>UK corporation tax</i>		
Current tax		-
Adjustments in respect of prior periods	(3,385)	(335,427)
<i>Deferred tax</i>		
Origination and reversal of timing differences	4,526	167,221
Effect of tax rate change on opening balance	-	(7,757)
Adjustment in respect of prior periods	13,017	270,261
	<hr/>	<hr/>
Total tax	14,158	94,298
	<hr/>	<hr/>

### Reconciliation of effective tax rate

	2023 £	2022 £ (Restated)
Profit for the period	2,179,831	976,591
Total tax credit	14,158	94,298
	<hr/>	<hr/>
Profit excluding taxation	2,193,989	1,070,889
<i>Tax using the UK corporation tax rate of 19%</i>	416,858	203,469
Expenses not deductible for tax purposes	(8,009)	-
Adjustments to tax charge in respect of previous periods	(3,385)	(335,427)
Group relief claimed	(532,620)	(35,411)
Adjustments to tax charge in respect of previous periods - deferred tax	13,017	270,261
Remeasurement of deferred tax for changes in tax rates	1,086	32,376
Under provision in prior years	127,211	-
Deferred tax not recognised	-	(40,970)
	<hr/>	<hr/>
Total tax charge	14,158	94,298
	<hr/>	<hr/>

On 14 October 2022, the government announced that the increase to 25% tax rate from 1 April 2023 onwards, will be maintained, reversing a previously announcement to remain the rate at 19%.

### 7 Dividends

	2023 £	2022 £
<i>Interim dividend</i>		
Ordinary A shares of £1 each	1,957,120	1,930,924
Ordinary B shares of £1 each	230,250	227,168
Ordinary C shares of £1 each	115,124	113,584
	<hr/>	<hr/>
	2,302,494	2,271,676
	<hr/>	<hr/>

Dividends of £2,302,494 were paid during the year (2022: £2,271,676).



## Notes (continued)

### 8 Intangible fixed assets

	Software £
<b>Cost</b>	
At beginning of year	6,283,863
Additions	1,829,517
Disposals	-
	<hr/>
At end of year	8,113,380
	<hr/>
<b>Amortisation &amp; Impairment</b>	
At beginning of year	1,502,365
Charge for the year	1,055,239
Impairment	-
Disposals	-
	<hr/>
At end of year	2,557,604
	<hr/>
<b>Net book value</b>	
At 31 March 2023	5,555,776
	<hr/>
At 31 March 2022	4,781,498
	<hr/>

### 9 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>			
At beginning of year	1,477,438	2,198,712	3,676,150
Additions	213,774		213,774
Disposals	(3,541)	(389,804)	(393,345)
	<hr/>	<hr/>	<hr/>
At end of year	1,687,671	1,808,908	3,496,579
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At beginning of year	757,522	1,499,736	2,257,258
Charge for the year	203,314	143,972	347,286
Disposals	(573)	(313,657)	(314,230)
	<hr/>	<hr/>	<hr/>
At end of year	960,263	1,330,051	2,290,314
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 2023	727,408	478,857	1,206,265
	<hr/>	<hr/>	<hr/>
At 31 March 2022	719,916	698,976	1,418,892
	<hr/>	<hr/>	<hr/>

## Notes (continued)

### 10 Debtors

	2023 £	2022 £ (Restated*)
Trade debtors	715,074	630,103
Amounts owed by group undertakings	1,600,000	-
Other debtors	284,674	61,661
Prepayments and accrued income	1,638,912	983,559
Corporation tax	3,389	486,453
	<u>4,242,049</u>	<u>2,161,776</u>

All amounts owed by group undertakings are interest free and repayable on demand.

\*Restated (see note 1.2)

### 11 Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	3,702,989	3,449,856
	<u>3,702,989</u>	<u>3,449,856</u>

The cash at bank and in hand as at 31 March 2023 includes £2,569,909 (2022: £2,071,441) of client monies held in segregated bank accounts by the company.

### 12 Creditors: amounts falling due within one year

	2023 £	2022 £
Client accounts	2,569,909	2,071,441
Trade creditors	355,223	568,420
Amounts owed to group undertakings	4,187,250	1,760,216
Deferred tax liability (see note 13)	422,704	405,160
Taxation and social security	1,219,685	1,030,227
Accruals and deferred income	666,654	537,664
Other creditors	1,717	32,294
	<u>9,423,142</u>	<u>6,405,422</u>

All amounts owed to group undertakings are repayable on demand.

### 13 Deferred taxation

	2023 £	2022 £
At beginning of year	405,160	(24,565)
Adjustment in respect of prior year	13,018	270,261
Provided during the year	4,526	159,464
	<u>422,704</u>	<u>405,160</u>
<b>At end of year (see note 12)</b>	<u>422,704</u>	<u>405,160</u>

## Notes (continued)

### 14 Capital and reserves

	2023 £	2022 £
Allotted, called up and fully paid		
85,425 ordinary A shares of £1 each	85,425	85,425
10,050 ordinary B shares of £1 each	10,050	10,050
5,025 ordinary C shares of £1 each	5,025	5,025
	<u>100,500</u>	<u>100,500</u>

The holders of 'A' ordinary shares have equal voting rights and the right to a share in a distribution.

The holders of 'B' and 'C' shares have full voting rights and are entitled to receive dividends as declared from time to time.

### 15 Related parties

Arrow Auctions is a partnership in which SJ Sutor, JA Sutor and RJ Sutor (a director) are partners.

During the year, the company was charged rental costs of £197,500 (2022: £197,500) and other expenses of £18,381 (2022: £9,818) from Arrow Auctions.

During the year £16,302 (2022: £20,897) was recharged to Arrow Auctions in respect of costs incurred by Bristow & Sutor.

At the balance sheet start date there was an amount outstanding to Bristow & Sutor of £2,544.

### 16 Operating Leases

*Leases as a lessee*

Non-cancellable operating lease rentals are payable as follows:

	2023 £	2022 £
Less than one year	197,500	197,500
Between one and five years	587,014	784,514
More than five years	0	0
	<u>784,514</u>	<u>982,014</u>

### 17 Accounting estimates and judgements

*Key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ to those estimates.

The calculation of an accrual for compliance fee income is based on an estimate of the future income from cases which complete this stage of the enforcement process. This accrual is based on an assessment of the probability of these cases generating income which takes into account historical data on the proportion of cases which are resolved at each stage of the compliance process and an appropriate level of contingency. The proportion of cases that are subsequently resolved will be dependent on a wide range of factors some of which, such as the customer's propensity to pay, are outside of the Group's control.

**18 Ultimate parent company and parent company of larger group**

The immediate parent undertaking is Bristow & Sutor Group Limited, a company registered in Jersey. The ultimate parent company is Bristow & Sutor Topco Limited, a company registered in Jersey. The ultimate controlling party is Sovereign Capital IV Limited Partnership.