

Registered number: 04612407

QUESTGATES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

TUESDAY



ABVWNCDE

A03

24/01/2023

#189

COMPANIES HOUSE

QUESTGATES LIMITED

COMPANY INFORMATION

Directors	C D Hall R Macpherson G Laker A N Steward C J Ganson G Donaldson S A Maer
Company secretary	S A Maer
Registered number	04612407
Registered office	Unit 11a The Wharf Bridge Street Birmingham B1 2JS
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Cubo Birmingham Two Chamberlain Square Birmingham West Midlands B3 3AX

QUESTGATES LIMITED

CONTENTS

	Page
Group strategic report	1 - 4
<i>Directors' report</i>	5 - 7
Independent auditor's report	8 - 11
Consolidated profit and loss account	12
Consolidated balance sheet	13
Company balance sheet	14
Consolidated statement of changes in equity	15
Company statement of changes in equity	16
Consolidated statement of cash flows	17
Consolidated analysis of net debt	18
Notes to the financial statements	19 - 42

QUESTGATES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022

Introduction

The directors present their strategic report of the company and the group for the year ended 30 June 2022.

Business review

The results for the year and the financial position of the group which now includes Structural Surveys Ltd, which trades as a stand-alone business, are as shown in the attached financial statements.

2021/22 was a transitional year for the group as we completed the recovery from the pandemic and secured numerous large new contract wins including in the Cyber/Digital Assets arena where we launched a new dedicated service which we believe is truly market leading. In addition we concluded seven acquisitions, the majority of which were only finalised towards the end of the year and hence the turnover is not fully reflected in the year's results. A combination of increasing costs post-pandemic and the costs involved in the integration of the acquisitions into the Group has resulted in a slightly lower margin compared to the prior year, so the £2.8m increase in turnover has delivered a similar level of net profit in absolute terms.

New contracts won included NFUM, Tarmac, Admiral, Haven, iFarm and Next whilst we have seen an increase in interest in our valuations service where we are the preferred suppliers for BIBA and secured numerous long term rolling contracts to revalue whole property portfolios.

The following acquisitions were concluded during the financial year:

1. We acquired the remaining 75% of Rossiter claims management Ltd together with Keatings Claim Adjusters Limited which have been merged with our existing operations and rebranded QuestGates Ireland.
2. We acquired All UK Adjusters Ltd which has been merged with our earlier acquisition of TS Loss Adjusting to form QuestGates TPPD.
3. We acquired the assets of Focus Claims and Risk Management Services Ltd which has been merged with our existing Hyperion business to make us the market leader in the provision of contingency, tv and media, sport and leisure claims. Indeed just before the end of the year this division was named as a finalist at the British Insurance awards which are held in July. In addition we won the loss adjuster of the year award at the national insurance awards for our handling of Covid related claims.
4. We acquired the assets of Amedeo Adjusting Limited a niche adjusting company headquartered in Glasgow, which now forms part of our Property division.
5. We acquired Structural Surveys Ltd an innovative nationwide provider of structural engineering services.
6. We acquired the assets of C & S Associates Ltd a provider of third party motor claims handling services which will enhance the depth of our offering to motor insurers.

As at the year-end we were in advanced talks to acquire the share capital of CPAdjusting Limited, a leading provider of loss adjusting and claims management services to Lloyds and London market insurers. This acquisition was completed after the year-end.

All acquisitions were completed using our retained cash or own equity and whilst this has resulted in our cash reserves reducing by some £2m, they remain strong. The decrease in cash is offset by an increase in debtors of £2.8m (trade debtors and work in progress) resulting from acquired balances and general growth. Trade debtors are subject to strict controls and are reviewed regularly by the management team in order to minimise any potential bad debt.

The fact that such substantial growth has been achieved without the need to take on any debt is an endorsement of our strategy to retain profit to support ongoing growth. However as a precautionary measure the board has agreed to postpone the payment of a dividend for a further year.

QUESTGATES LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Key performance indicators

The Directors consider that the key performance indicators are those that indicate the financial performance and strength of the Group. These are turnover, profit before tax and cash. The incoming claim volumes are also monitored continuously in order to gauge performance and manage resources.

Directors' section 172 (1) statement of compliance

The Directors recognise the requirements of s172 of the Companies Act 2006 and have carried out their duties by acting in good faith in a manner which promotes the success of the Group for the benefit of its members. In doing so they have given regard to a range of matters which include, amongst other things, the desire to be a good employer and to contribute to the wider community.

Business relationships

QuestGates strives at all times to provide the highest quality of service to all of its clients and recognises the importance of the ongoing development of excellent client relationships to the future success of the business. The management of supplier relationships is also fundamental to the provision of a quality service and QuestGates aims engage with suppliers according to mutually agreed terms and to ensure that payments are made in a timely fashion.

Our people

QuestGates is committed to conducting business in a responsible and sustainable way, as it is integral to the way that we do business. We are dedicated to behaving in a way that is beneficial to all employees, stakeholders, our environment, and the wider community.

Our employees are our most valuable resource and are a key factor in the delivery of services to our clients. To ensure the continued success and growth of our business we recruit, develop, and retain the best talent in the industry. As part of all employees' personal development plan, they are given a clear route for progression, including technical and professional training. Further to this, it is crucial that all employees maintain a high level of technical expertise for their area in the business, to this end we provide continuous training and development opportunities.

Our commitment

- To ensure that employees have the opportunity to realise their full potential and have the tools necessary to develop and grow through training, both compulsory and optional.
- To reward employees for hard work and innovative thinking should the idea help in the running of the business.
- To support and understand employee well-being, ensuring staff are encouraged to maintain an appropriate work-life balance.

Culture & values

As a business, we are fully committed to the principles and practices of Equal Opportunities in Employment.

We promote a working environment in which diversity is recognised, valued, and encouraged.

We acknowledge the multi-cultural and diverse nature of the UK workforce and society in general and are committed to principles of fairness and mutual respect where everyone accepts the concept of individual responsibility.

Equality, diversity, and inclusion are integral to our business culture. This means we commit to ensuring that we have and maintain a zero-tolerance policy on discrimination in any form.

The board and senior management have taken steps to actively promote and reinforce our culture and values internally, with our employees and externally with our clients.

QUESTGATES LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Our commitment

- To ensure that each employee's traditions and beliefs are respected and encourage and promote diversity throughout the organisation.
- To create equal opportunities for all employees.
- To ensure all recruitment will be fair and consistent to each candidate.

Disabled employees

We give full consideration to applications for employment from disabled applicants, where the requirements of the role can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is our policy wherever practicable to provide continuing employment under their normal terms and conditions and offer reasonable adjustments as required.

Employee Engagement

Our employees are the bedrock of our business, and we update them with business news on a regular basis. Whether they are field based, or at their desks, we ensure that all employees receive regular communications and updates on performance, significant business events, new contract wins, promotions, acquisition details and progress on our strategy. We conduct annual surveys and focus groups to seek employee views and create *action plans to improve engagement*.

Responsible business

The group believes that behaving with integrity helps build trust and confidence and enhances our reputation. When dealing with anyone whether that be employees, customers, clients, partners, suppliers, and others, we act in accordance with our values.

The way those values are put into practice will depend upon the relationship we have with the person we are dealing with but will involve treating people fairly, competing fairly, taking the time and trouble to understand what others require and providing them with a professional response which deals with their specific requirements.

Our values:

Passion - Recruit and support the best – those who demonstrate passion for what they do, who go the extra mile for the customer and strive for continuous improvement.

Trust - *We empower our team to do the right thing and act with integrity. We communicate clearly, hold our hands up if we get it wrong and keep the customer in our mind at all times.*

Flexibility - We are not afraid of change. We embrace technology and listen to our clients' needs in order to deliver new and bespoke claims solutions.

One Voice - We aim to promote shared values by ensuring everyone within QuestGates understands our mission, recognises what makes us different and adopts the same behaviours. Together we will make the world a better place. We speak with one voice.

QUESTGATES LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Community and charity

We believe in and support local communities. It is our belief that our value to communities lies in not only the provision of improved and efficient service delivery to our customers, but also through investing and making a social impact in the local communities where we work.

We are keen to support colleagues who volunteer or fundraise for charity. We can provide time off and company support to facilitate time in the community. Matched funding on sponsorship raised is also provided, to charities that align with our company values.

As part of our commitment to Corporate and Social Responsibility, and specifically sustainability, we are working with Business in the Community (BITC). Business in the Community is the oldest and largest business-led charity dedicated to responsible business. They were created nearly 40 years ago by HRH The Prince of Wales to champion responsible business. They inspire, engage, and challenge us and offer collaboration with other businesses as a force for good in society.

Our partnership with BITC is fundamental to us achieving our goals to making a better tomorrow, together.

Our commitment:

- To create employment opportunities for the local community.
- To support and encourage employees to be involved in charitable activities and initiatives within the local communities that aligned with our company values.
- To provide core skills training and careers advice in local schools and colleges.

Environment

QuestGates are passionate about having a sustainable business. To achieve this our engagement with employees, clients, suppliers, and other stakeholders is vital.

We have committed to becoming net zero (Scope 1 & 2) by 2030 and (Scope 3) by 2040 and we aim to achieve this through a combination of internal initiatives such as driving digitalisation, and our engagement with suppliers to look at new, innovative building techniques and reducing landfill waste.

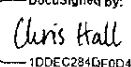
Our environmental efforts are reflected in everything that we do. We are committed to being a socially responsible business and seek to do business with those who share our fundamental values in minimising our impact on the environment.

By working to continually improve the quality of service we provide, incorporating sustainable and responsible business practices into our products and services, we aim to meet the needs of our customers now and in the future.

Our commitment:

- To manage waste generated by our business operations incorporating reduction, re-use and recycling.
- To maintain responsible and ethical working relationships with client, and suppliers as they are key to the success of our business.
- To make sure all employees remain aware that they are being trusted with highly sensitive information and must not break the trust that our customers, suppliers and company as a whole have in them.

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

DocuSigned by:

1DD6C284Df0D4C4...
C D Hall
Director

Date: 16 January 2023

QUESTGATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report and the financial statements for the year ended 30 June 2022.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £2,091,782 (2021: £2,064,835).

No interim dividends were paid during the year (2021: £Nil). The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

C D Hall
P M Tinsley (resigned 9 March 2022)
R Macpherson
G Laker
A N Steward
C J Ganson

QUESTGATES LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022****Streamlined Energy and Carbon Reporting (SECR)**

UK Greenhouse gas emissions and energy use data for the period 1 July 2021 to 30 June 2022 with comparatives:

	2021/22	2020/21
Energy Consumption used to calculate emissions	210,172	201,198
Scope 1 emissions in metric tonnes CO ₂ e		
Gas consumption	20	21
Scope 2 emissions in metric tonnes CO ₂ e		
Purchased electricity	23	24
Scope 3 emissions in metric tonnes CO ₂ e		
Business travel in employee owned vehicles	227,956	151,427
Total gross emissions in metric tonnes	227,999	151,472
Intensity Ratio		
Average employee numbers	295	251
Intensity ratio tonnes CO ₂ e per employee	741	600

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. Consumption under scopes 1 and 2 is calculated in relation to offices where the Company has direct control over usage and is responsible for paying the bills. Scope 3 is calculated using an average conversion factor for all types of vehicle. We have used the GHG Reporting Protocol – Corporate Standard and the conversion factors are taken from the Business in the Community GHG Emissions Data Collection Tool.

Intensity measurement

The chosen intensity measurement ratio is the total gross emissions in metric tonnes per employee based on the average number of employees.

Measures taken to improve efficiency

The total gross emissions for the business have increased compared to prior year, but this is reflective of the fact that our 2020/21 financial year was heavily impacted by lockdowns which necessitated a temporary change in working practices. The lessons learned from Covid and improvement in the quality and availability of remote working technologies have facilitated a reduction in carbon emissions compared to our pre-Covid baseline levels.

QuestGates is working in partnership with Business in the Community to assist in the Company's progress towards achievement of its goal to become net zero by 2030 (scope 1 and 2) and our commitments are detailed in our Environmental and Sustainability Policy and Strategy documents.

QUESTGATES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Measures include:

- The increased use of secure video technology across all areas of the business, which either reduces the need for a site visit or avoid the need for follow-up visits to view additional damage.
- Reduction in staff travel through hybrid working and increased use of video conferencing for meetings.
- Transition to the use of electric vehicles by offering financial incentives for employees switching to EV.
- Switching to energy suppliers who supply green energy for all QG offices.

Matters covered in the Group strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (strategic report and directors' report) Regulations 2013 to set out in the company's strategic report information required by the large and medium-sized companies and groups (accounts and reports) Regulations Schedule 7 to be contained in the directors' report.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

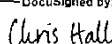
Post balance sheet events

On 31 October 2022 the company acquired 100% of the share capital of CPAdjusting Limited and it's subsidiary undertaking, CPA Surveying Services Ltd.

Auditor

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:

1DDDEC284DF0D4E4..

C D Hall
Director

Date: 16 January 2023

QUESTGATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUESTGATES LIMITED

Opinion

We have audited the financial statements of QuestGates Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022, which comprise consolidated profit and loss account, the consolidated and company balance sheets, the consolidated statement of cash flows, the consolidated and company statement of changes in equity and the related notes, 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's affairs as at 30 June 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 or 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

QUESTGATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUESTGATES LIMITED (CONTINUED)

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group'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.

QUESTGATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUESTGATES LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these group financial statements.

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

Our assessment focussed on key laws and regulations the group has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. 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 group through discussions with directors and other management, and from our commercial knowledge and experience;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group'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:

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias, in particular the director's assessment over work in progress valuation and trade debtor recoverability; and
- investigated the rationale behind significant or unusual transactions.

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 associated parties.

QUESTGATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUESTGATES LIMITED (CONTINUED)

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.*

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Rowley (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Cubo Birmingham
Two Chamberlain Square
Birmingham
West Midlands
B3 3AX

Date: 16/01/2023

QUESTGATES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Turnover	3	25,783,862	23,002,513
Gross profit		25,783,862	23,002,513
Administrative expenses		(23,216,435)	(20,477,867)
Operating profit	4	2,567,427	2,524,646
Share of profit of associates		-	14,969
Total operating profit		2,567,427	2,539,615
Interest receivable and similar income		17,095	8,773
Interest payable and similar expenses		-	(5,289)
Profit before taxation		2,584,522	2,543,099
Tax on profit	8	(492,740)	(478,264)
Profit for the financial year		2,091,782	2,064,835

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated profit and loss account.

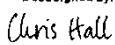
The notes on pages 19 to 42 form part of these financial statements.

QUESTGATES LIMITED
REGISTERED NUMBER: 04612407

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	9	1,794,787	491,095
Tangible assets	10	191,388	61,280
Investments	11	-	83,204
		<u>1,986,175</u>	<u>635,579</u>
Current assets			
Debtors: amounts falling due within one year	12	8,297,698	5,737,578
Cash at bank and in hand		9,081,492	11,156,516
Creditors: amounts falling due within one year	13	(6,766,989)	(6,702,397)
Net current assets		<u>10,612,201</u>	<u>10,191,697</u>
Total assets less current liabilities		<u>12,598,376</u>	<u>10,827,276</u>
Provisions for liabilities			
Deferred taxation	14	-	(7,926)
Net assets		<u><u>12,598,376</u></u>	<u><u>10,819,350</u></u>
Capital and reserves			
Called up share capital	15	1,018,004	1,043,900
Share premium account	16	168,451	10,125
Capital redemption reserve	16	402,423	399,100
Treasury shares	16	28,476	-
Profit and loss account	16	10,981,022	9,366,225
		<u><u>12,598,376</u></u>	<u><u>10,819,350</u></u>

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

DocuSigned by:

D3EC284DF0D4E4

C D Hall
 Director

Date: 16 January 2023

The notes on pages 19 to 42 form part of these financial statements.

QUESTGATES LIMITED
REGISTERED NUMBER: 04612407

COMPANY BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	9	232,052	159,807
Tangible assets	10	148,732	60,566
Investments	11	2,356,890	1,264,420
		<u>2,737,674</u>	<u>1,484,793</u>
Current assets			
Debtors: amounts falling due within one year	12	8,712,085	5,836,858
Cash at bank and in hand		8,506,701	10,937,132
		<u>17,218,786</u>	<u>16,773,990</u>
Creditors: amounts falling due within one year	13	<u>(7,584,457)</u>	<u>(7,761,523)</u>
Net current assets		<u>9,634,329</u>	<u>9,012,467</u>
Total assets less current liabilities		<u>12,372,003</u>	<u>10,497,260</u>
Provisions for liabilities			
Deferred taxation	14	-	(8,177)
Net assets		<u>12,372,003</u>	<u>10,489,083</u>
Capital and reserves			
Called up share capital	15	1,018,004	1,043,900
Share premium account	16	168,451	10,125
Capital redemption reserve	16	402,423	399,100
Treasury shares	16	28,476	-
Profit and loss account	16	10,754,649	9,035,958
		<u>12,372,003</u>	<u>10,489,083</u>

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

DocuSigned by:

 100E6C284DF0D4E4...
 Chris Hall
 Director

Date: 16 January 2023

The notes on pages 19 to 42 form part of these financial statements.

QUESTGATES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital	Share premium account	Capital redemption reserve	Treasury shares	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 July 2020	1,043,900	10,125	399,100	-	7,301,390	8,754,515
<i>Profit for the year</i>	-	-	-	-	2,064,835	2,064,835
At 1 July 2021	1,043,900	10,125	399,100	-	9,366,225	10,819,350
<i>Profit for the year</i>	-	-	-	-	2,091,782	2,091,782
<i>Cancellation of treasury shares</i>	-	-	3,323	(3,323)	-	-
<i>Purchase of own shares</i>	(65,000)	-	-	65,000	(975,000)	(975,000)
<i>Sale of treasury shares</i>	33,201	-	-	(33,201)	498,015	498,015
<i>Shares issued during the year</i>	5,903	158,326	-	-	-	164,229
At 30 June 2022	1,018,004	168,451	402,423	28,476	10,981,022	12,598,376

The notes on pages 19 to 42 form part of these financial statements.

QUESTGATES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Share premium account £	Capital redemption reserve £	Treasury shares £	Profit and loss account £	Total equity £
At 1 July 2020	1,043,900	10,125	399,100	-	6,870,336	8,323,461
Profit for the year	-	-	-	-	2,165,622	2,165,622
At 1 July 2021	1,043,900	10,125	399,100	-	9,035,958	10,489,083
Profit for the year	-	-	-	-	2,195,676	2,195,676
Cancellation of treasury shares	-	-	3,323	(3,323)	-	-
Purchase of own shares	(65,000)	-	-	65,000	(975,000)	(975,000)
Sale of treasury shares	33,201	-	-	(33,201)	498,015	498,015
Shares issued during the year	5,903	158,326	-	-	-	164,229
At 30 June 2022	1,018,004	168,451	402,423	28,476	10,754,649	12,372,003

The notes on pages 19 to 42 form part of these financial statements.

QUESTGATES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	2,091,782	2,064,835
Adjustments for:		
Amortisation of intangible assets	369,312	215,562
Depreciation of tangible assets	44,576	36,839
Loss on disposal of tangible assets	39,374	9,453
Interest paid	-	5,289
Interest received	(17,095)	(8,773)
Taxation charge	492,740	478,264
(Increase)/decrease in debtors	(1,695,659)	1,085,445
(Decrease)/increase in creditors	(403,282)	1,678,364
Fair value loss on investment in associate	21,058	-
Corporation tax paid	(545,134)	(428,885)
Net cash generated from operating activities	397,672	5,136,393
Cash flows from investing activities		
Purchase of intangible fixed assets	(68,096)	(59,070)
Purchase of tangible fixed assets	(98,631)	(13,058)
Sale of tangible fixed assets	3,985	-
Net cash acquired on acquisition of subsidiaries (note 17)	176,779	-
Purchase of subsidiary undertakings (note 17)	(1,290,520)	-
Purchase of trade and assets (note 17)	(788,052)	-
Interest received	17,095	8,773
Profit share in associates	-	(14,969)
Net cash from investing activities	(2,047,440)	(78,324)
Cash flows from financing activities		
Proceeds on sale of treasury shares	498,015	-
Purchase of own ordinary shares	(975,000)	-
Proceeds on issue of ordinary shares	51,729	-
Interest paid	-	(5,289)
Net cash used in financing activities	(425,256)	(5,289)
Net (decrease)/increase in cash and cash equivalents	(2,075,024)	5,052,780
Cash and cash equivalents at beginning of year	11,156,516	6,103,736
Cash and cash equivalents at the end of year	9,081,492	11,156,516
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,081,492	11,156,516

The notes on pages 19 to 42 form part of these financial statements.

QUESTGATES LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2022**

	At 1 July 2021 £	Cash flows £	Acquisition of subsidiaries £	At 30 June 2022 £
Cash at bank and in hand	11,156,516	(2,251,803)	176,779	9,081,492
Finance leases	-	-	(34,439)	(34,439)
	<u>11,156,516</u>	<u>(2,251,803)</u>	<u>142,340</u>	<u>9,047,053</u>

The notes on pages 19 to 42 form part of these financial statements.

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Accounting policies

1.1 Basis of preparation of the financial statements

QuestGates Limited (the 'company') and its subsidiary undertakings (the 'group') are limited liability companies incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 30 June 2022 (2021: 30 June 2021).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to estimate judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following accounting policies have been applied consistently throughout the year.

1.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ('the group') as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Disclosure exemptions

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemption available for aggregate remuneration of key management personnel and related party transactions in relation to wholly owned group companies. The group accounts of QuestGates Limited are available to the public and can be obtained from Companies House, Cardiff, CF14 3UZ.

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Accounting policies (continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are *provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:*

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Going concern

At the balance sheet date QuestGates Limited had a significant cash balance and strong net current asset position. The financial forecasts prepared by the directors show that QuestGates will continue to trade for a period of at least 12 months from the date of signing these accounts and will be able to operate within the facilities available to it.

On that basis, the directors have prepared these financial statements on a going concern basis.

1.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit and loss account in the period in which they arise.

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Accounting policies (continued)

1.7 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the consolidated profit and loss account on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.8 Interest income

Interest income is recognised in the consolidated profit and loss account using the effective interest method.

1.9 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

1.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Accounting policies (continued)

1.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the consolidated profit and loss account over its useful economic life.

Other intangible assets

Computer software relates to development expenditure on an IT accounting system. It is recognised as an intangible asset when the company can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over its useful life of 3 years.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Motor vehicles	- 33% straight line
Fixtures and fittings	- 15% on reducing balance
Office equipment	- 33% on reducing balance and straight line over 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated profit and loss account.

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Accounting policies (continued)

1.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.14 Associates

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The consolidated profit and loss account includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

1.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

1.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

The group makes estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical expenditure and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Recoverability of trade and other debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Goodwill and amortisation

The group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

The directors assess the impairment of goodwill subject to amortisation, whenever events or changes in circumstances indicate the carrying value may not be recoverable. Factors considered that could trigger an impairment review include the following:

- ~ significant under-performance relative to historical or projected future operating results;
- ~ significant changes in the use of the acquired assets or the business strategy for the overall business;
- and
- ~ significant negative industry or economic trends.

Amounts recoverable on long term contracts

For time based contracts the company recognises revenue based on the accumulated value of time which has not yet been invoiced. For fixed fee contracts management estimate the stage of completion and recognise revenue in line with the percentage completion.

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**3. Turnover**

The directors consider there to be only one class of turnover, which is that of loss adjusting and claim services.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	23,715,433	22,336,120
Rest of Europe	1,388,148	163,708
Rest of the world	680,281	502,685
	<u>25,783,862</u>	<u>23,002,513</u>

4. Operating profit

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

	2022 £	2021 £
Depreciation of tangible fixed assets	44,576	36,839
Amortisation of intangible assets, including goodwill	369,312	215,562
Exchange differences	(35,311)	1,526
Loss on disposal of tangible fixed assets	39,374	9,455
Other operating lease rentals	280,705	293,067
	<u>280,705</u>	<u>293,067</u>

5. Auditor's remuneration

	2022 £	2021 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<u>43,450</u>	<u>30,000</u>
Fees payable to the group's auditor and its associates in respect of:		
All other services	<u>12,500</u>	<u>5,100</u>

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**6. Employees**

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	16,270,757	14,913,183	15,443,851	14,714,210
Social security costs	1,305,131	1,023,609	1,222,315	1,008,540
Cost of defined contribution scheme	649,887	552,323	585,894	546,840
	<u>18,225,775</u>	<u>16,489,115</u>	<u>17,252,060</u>	<u>16,269,590</u>

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

	2022 No.	2021 No.
Employees	<u>295</u>	<u>253</u>

7. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	2,755,414	2,764,550
Group contributions to defined contribution pension schemes	22,337	44,356
	<u>2,777,751</u>	<u>2,808,906</u>

During the year retirement benefits were accruing to no directors (2021: Nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £951,493 (2021: £958,154).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2021: £Nil).

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	541,211	507,961
Adjustments in respect of previous periods	148	(12,247)
Total current tax	<u>541,359</u>	<u>495,714</u>
Deferred tax		
Origination and reversal of timing differences	(48,678)	(17,336)
Effect of tax rate change on opening balance	59	(114)
Total deferred tax	<u>(48,619)</u>	<u>(17,450)</u>
Taxation on profit on ordinary activities	<u>492,740</u>	<u>478,264</u>

Factors affecting tax charge for the year

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

	2022 £	2021 £
Profit on ordinary activities before tax	<u>2,584,522</u>	<u>2,543,099</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	491,059	483,189
Effects of:		
Expenses not deductible for tax purposes	62,559	2,641
Fixed asset differences	(3,403)	-
Other tax adjustments, reliefs & transfers	75	(1)
Adjustments to tax charge in respect of prior periods	148	(12,247)
Remeasurement of deferred tax for changes in tax rates	(11,127)	3,156
Additional deduction for R&D expenditure	(46,930)	-
Deferred tax not recognised	359	1,526
Total tax charge for the year	<u>492,740</u>	<u>478,264</u>

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8. Taxation (continued)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 30 June 2022 is 25% and deferred tax has been re-measured at this rate.

9. Intangible assets

Group

	Computer software £	Goodwill £	Total £
Cost			
At 1 July 2021	711,840	609,717	1,321,557
Additions	68,096	1,601,674	1,669,770
On acquisition of subsidiaries (note 17)	3,234	-	3,234
At 30 June 2022	783,170	2,211,391	2,994,561
Amortisation			
At 1 July 2021	552,033	278,429	830,462
Charge for the year	114,371	254,941	369,312
At 30 June 2022	666,404	533,370	1,199,774
Net book value			
At 30 June 2022	116,766	1,678,021	1,794,787
At 30 June 2021	159,807	331,288	491,095

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

9. Intangible assets (continued)

Company

	Computer software £	Goodwill £	Total £
Cost			
At 1 July 2021	711,840	-	711,840
Additions	71,330	230,572	301,902
At 30 June 2022	783,170	230,572	1,013,742
Amortisation			
At 1 July 2021	552,033	-	552,033
Charge for the year	114,371	115,286	229,657
At 30 June 2022	666,404	115,286	781,690
Net book value			
At 30 June 2022	116,766	115,286	232,052
At 30 June 2021	159,807	-	159,807

The goodwill addition in the year relates to the acquisition of the trade and assets of Focus Claim & Risk Management Limited on 11 November 2021, Amedeo Adjusting Limited on 5 April 2022 and C&S Associates (UK) Ltd on 25 May 2022.

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10. Tangible fixed assets

Group

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 July 2021	-	64,124	155,226	219,350
Additions	-	28,331	70,300	98,631
On acquisition of subsidiaries (note 17)	26,106	8,897	51,961	86,964
Disposals	(38,250)	(5,109)	-	(43,359)
On acquisition of trade and assets (note 17)	76,499	-	-	76,499
At 30 June 2022	64,355	96,243	277,487	438,085
Depreciation				
At 1 July 2021	-	31,775	126,295	158,070
Charge for the year	4,185	12,421	27,970	44,576
On acquisition of subsidiaries (note 17)	7,150	2,529	34,372	44,051
At 30 June 2022	11,335	46,725	188,637	246,697
Net book value				
At 30 June 2022	53,020	49,518	88,850	191,388
At 30 June 2021	-	32,349	28,931	61,280

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10. Tangible fixed assets (continued)

Company

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 July 2021	-	67,970	173,715	241,685
Additions	-	29,044	62,918	91,962
Disposals	(38,250)	-	-	(38,250)
On acquisition of trade and assets (note 17)	76,499	-	-	76,499
At 30 June 2022	38,249	97,014	236,633	371,896
Depreciation				
At 1 July 2021	-	35,620	145,499	181,119
Charge for the year	3,187	12,323	26,535	42,045
At 30 June 2022	3,187	47,943	172,034	223,164
Net book value				
At 30 June 2022	35,062	49,071	64,599	148,732
At 30 June 2021	-	32,350	28,216	60,566

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Motor vehicles	35,062	-

QUESTGATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022****11. Fixed asset investments****Group**

	Investments in associates £
Cost	
At 1 July 2021	83,204
Disposals	(83,204)
At 30 June 2022	<u>-</u>

On 16 July 2021, the group increased its shareholding in Rossiter Claims Management Services Limited from 25% to 100%. At the year end, Rossiter Claims Management Services Limited is a subsidiary undertaking and has been consolidated, in line with note 1.2.

Company

	Investments in subsidiary companies £
Cost	
At 1 July 2021	1,264,420
Additions	1,092,470
At 30 June 2022	<u>2,356,890</u>

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

11. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered number	Class of shares	Holding
TS Loss Adjusting Limited	09295766	Ordinary	100%
Hyperion Adjusters Limited	04008994	Ordinary	100%
QuestGates Ireland Limited	651848	Ordinary	100%
All-UK Adjusters Limited	08327368	Ordinary	100%
Structural Surveys Ltd	10236594	Ordinary	100%
Rossiter Claims Management Services Limited*	637166	Ordinary	100%
Keating Claims Adjusters Limited*	560112	Ordinary	100%
Questgates (Motor Claims) Limited	13726787	Ordinary	60%

* investments held indirectly.

On 16 July 2021, QuestGates Ireland Limited increased its shareholding in Rossiter Claims Management Services Limited from 25% to 100%.

On 21 July 2021, QuestGates Ireland Limited acquired the whole share capital of Keating Claims Adjusters Limited.

On 5 August 2021, QuestGates Limited acquired the whole share capital of All-UK Adjusters Limited.

On 5 November 2021, Questgates Limited acquired 60% of the share capital of Questgates (Motor Claims) Limited.

On 12 May 2022, QuestGates Limited acquired the whole share capital of Structural Surveys Ltd.

The registered office of All-UK Adjusters Limited, TS Loss Adjusting Limited, Hyperion Adjusters Limited, Structural Surveys Ltd and Questgates (Motor Claims) Limited is as stated on the company information page.

The registered office of QuestGates Ireland Limited, Keating Claims Adjusters Limited and Rossiter Claims Management Services Limited is Rossiter Claims Management Services Limited, 3A Avonbeg Industrial Estate, Longmile Road, Dublin 12, D12AE98.

For the year ended 30 June 2022, TS Loss Adjusting Limited, Hyperion Adjusters Limited, All-UK Adjusters Limited and Structural Surveys Ltd were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

12. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	3,737,581	2,332,920	3,426,438	2,316,870
Amounts owed by group undertakings	-	-	839,549	115,386
Other debtors	351,535	91,251	350,975	91,195
Prepayments and accrued income	472,153	419,790	436,225	419,790
Amounts recoverable on long-term contracts	3,702,513	2,893,617	3,618,939	2,893,617
Deferred taxation	33,916	-	39,959	-
	<u>8,297,698</u>	<u>5,737,578</u>	<u>8,712,085</u>	<u>5,836,858</u>

13. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	491,777	327,125	461,123	322,859
Amounts owed to group undertakings	-	-	1,161,647	1,070,412
Corporation tax	321,162	331,714	228,818	331,714
Other taxation and social security	1,127,020	1,046,327	1,031,885	1,043,678
Obligations under finance lease and hire purchase contracts	34,439	-	34,439	-
Other creditors	280,207	54,885	212,954	54,885
Accruals and deferred income	4,512,384	4,942,346	4,453,591	4,937,975
	<u>6,766,989</u>	<u>6,702,397</u>	<u>7,584,457</u>	<u>7,761,523</u>

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

14. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(7,926)	(25,376)
Charged to the profit and loss account	48,619	17,450
Arising on business combinations	(6,777)	-
At end of year	<u>33,916</u>	<u>(7,926)</u>

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

14. Deferred taxation (continued)

Company

	2022 £	2021 £
At beginning of year	(8,177)	(25,735)
Charged to the profit and loss account	48,136	17,558
At end of year	39,959	(8,177)

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	(1,599)	(32,138)	(1,599)	(32,497)
Short term timing differences	35,515	24,212	41,558	24,320
	33,916	(7,926)	39,959	(8,177)

15. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,018,004 (2021: 1,043,900) Ordinary shares of £1 each	1,018,004	1,043,900

On 21 July 2021, the company issued 2,580 £1 Ordinary shares for £20.05 each. Total consideration received was £51,729.

On 9 March 2022 the company repurchased 65,000 £1 Ordinary shares for £15 each. Total consideration payable was £975,000. These were recognised as Treasury shares.

On 10th May 2022 the company cancelled 3,323 £1 Treasury shares.

On 16 May 2022, the company issued 3,323 £1 Ordinary shares for £33.85 each. Total consideration on share for share exchange in relation to acquisition of subsidiary undertaking was £112,500.

On 30 June 2022, the company sold 33,201 £1 Treasury shares for £15 each. Total consideration receivable was £498,015.

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

16. Reserves

Share premium account

The share premium account represents consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased and treasury shares cancelled.

Treasury shares

The treasury shares represent the nominal value of shares repurchased by the company, held for future distribution to existing or new shareholders.

Profit and loss account

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

17. Business combinations

Acquisition of All-UK Adjusters Limited

On 5 August 2021, QuestGates Limited acquired the whole share capital of All-UK Adjusters Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	4,272	-	4,272
Intangible	837	-	837
	<u>5,109</u>	<u>-</u>	<u>5,109</u>
Current Assets			
Debtors	80,654	-	80,654
Cash at bank and in hand	21,299	-	21,299
Total Assets	<u>107,062</u>	<u>-</u>	<u>107,062</u>
Creditors			
Due within one year	(23,303)	-	(23,303)
Due after more than one year	(48,869)	-	(48,869)
Total identifiable net assets	<u>34,890</u>	<u>-</u>	<u>34,890</u>
Goodwill			<u>202,263</u>
Total purchase consideration			<u>237,153</u>

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

17. Business combinations (continued)

Consideration

	£
Cash	222,153
Directly attributable costs	15,000
Total purchase consideration	237,153

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	222,153
Directly attributable costs	15,000
	237,153
Less: Cash and cash equivalents acquired	(21,299)
Net cash outflow on acquisition	215,854

Acquisition of Structural Surveys Ltd

On 12 May 2022, QuestGates Limited acquired the whole share capital of Structural Surveys Ltd.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	36,430	-	36,430
	36,430	-	36,430
Current Assets			
Debtors	160,903	-	160,903
Cash at bank and in hand	101,252	-	101,252
Total Assets	298,585	-	298,585
Creditors			
Due within one year	(124,162)	-	(124,162)
Total Identifiable net assets	174,423	-	174,423
Goodwill			680,894
Total purchase consideration			855,317

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

17. Business combinations (continued)

Consideration

	£
Cash	612,500
Equity instruments	112,500
Deferred consideration	116,252
Directly attributable costs	14,065
Total purchase consideration	855,317

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	612,500
Directly attributable costs	14,065
	626,565
Less: Cash and cash equivalents acquired	(101,252)
Net cash outflow on acquisition	525,313

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

17. Business combinations (continued)

Acquisition of Rossiter Claims Management Services Limited

On 16 July 2021, QuestGates Ireland Limited increased its shareholding in Rossiter Claims Management Services Limited from 25% to 100%. At the year end, Rossiter Claims Management Services Limited is a subsidiary undertaking and has been consolidated, in line with note 1.2.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	3,590	-	3,590
	<u>3,590</u>	<u>-</u>	<u>3,590</u>
Current Assets			
Debtors	64,546	-	64,546
Cash at bank and in hand	44,331	-	44,331
Total Assets	<u>112,467</u>	<u>-</u>	<u>112,467</u>
Creditors			
Due within one year	(98,538)	-	(98,538)
Total Identifiable net assets	<u>13,929</u>	<u>-</u>	<u>13,929</u>
Goodwill			222,907
Total purchase consideration			<u>236,836</u>
Consideration			£
Cash			169,572
Directly attributable costs			5,118
Fair value of investment held in associate on acquisition of subsidiary			62,146
Total purchase consideration			<u>236,836</u>
Cash outflow on acquisition			£
Purchase consideration settled in cash, as above			148,590
Directly attributable costs			5,042
			<u>153,632</u>
Less: Cash and cash equivalents acquired			(44,331)
Net cash outflow on acquisition			<u>109,301</u>

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

17. Business combinations (continued)

Acquisition of Keating Claims Adjusters Limited

On 21 July 2021, QuestGates Ireland Limited acquired the whole share capital of Keating Claims Adjusters Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Intangible	2,397	-	2,397
	<u>2,397</u>	<u>-</u>	<u>2,397</u>
Current Assets			
Debtors	8,553	-	8,553
Cash at bank and in hand	9,897	-	9,897
Total Assets	<u>20,847</u>	<u>-</u>	<u>20,847</u>
Creditors			
Due within one year	(32,863)	-	(32,863)
Total identifiable net liabilities	<u>(12,016)</u>	<u>-</u>	<u>(12,016)</u>
Goodwill			265,038
Total purchase consideration			<u>253,022</u>
Consideration			£
Cash			248,531
Directly attributable costs			4,491
Total purchase consideration			<u>253,022</u>
Cash outflow on acquisition			£
Purchase consideration settled in cash, as above			248,531
Directly attributable costs			4,491
			<u>253,022</u>
Less: Cash and cash equivalents acquired			(9,897)
Net cash outflow on acquisition			<u>243,125</u>

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

17. Business combinations (continued)

Acquisition of Focus Claim & Risk Management Limited, Amedeo Adjusting Limited and C&S Associates (UK) Ltd

QuestGates Limited acquired the trade and assets of Focus Claim & Risk Management Limited on 11 November 2021, Amedeo Adjusting Limited on 5 April 2022 and C&S Associates (UK) Ltd on 25 May 2022.

	Book value £	Fair value £
Fixed Assets		
Tangible	76,499	76,499
	<u>76,499</u>	<u>76,499</u>
Current Assets		
Debtors	515,420	515,420
Total Assets	<u>591,919</u>	<u>591,919</u>
Creditors		
Due within one year	(34,439)	(34,439)
Total identifiable net assets	<u>557,480</u>	<u>557,480</u>
Goodwill		230,572
Total purchase consideration		<u>788,052</u>
		£
Cash		765,427
Directly attributable costs		22,625
Total purchase consideration		<u>788,052</u>
		£
Purchase consideration settled in cash, as above		765,427
Directly attributable costs		22,625
		<u>788,052</u>
Net cash outflow on acquisition		<u>788,052</u>

QUESTGATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**18. Commitments under operating leases**

At 30 June 2022 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	356,718	268,696	314,058	268,696
Later than 1 year and not later than 5 years	771,621	659,036	748,236	659,036
Later than 5 years	25,445	130,440	25,445	130,440
	<u>1,153,784</u>	<u>1,058,172</u>	<u>1,087,739</u>	<u>1,058,172</u>

19. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 section 33 'Related Party Disclosures' not to disclose transactions with companies within the group of which it is a member, where these transactions occur between entities which are 100% owned members of that group.

On 30 June 2022 the company sold 33,201 ordinary shares in held in treasury to 5 company directors for consideration of £498,015. At the year end £150,500 is outstanding and is included within other debtors.

20. Post balance sheet events

On 31 October 2022 the company acquired 100% of the share capital of CPAdjusting Limited and it's subsidiary undertaking, CPA Surveying Services Ltd.

21. Controlling party

The directors consider there to be no ultimate controlling party.