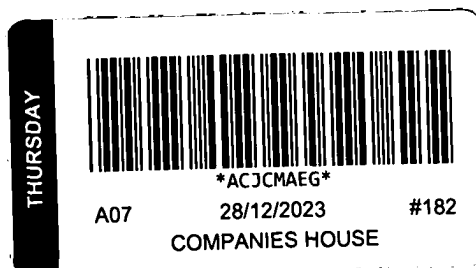


Registered number: 08290311

**WAB INVESTMENTS LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**



**WAB INVESTMENTS LTD**

**COMPANY INFORMATION**

<b>Director</b>	R Withers
<b>Registered number</b>	08290311
<b>Registered office</b>	Enterprise House Apex View Leeds LS11 9BH
<b>Independent auditor</b>	Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

## **WAB INVESTMENTS LTD**

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## **WAB INVESTMENTS LTD**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **Background**

WAB Investments Ltd is 100% owner of BW Legal Services Limited ("BW Legal"). BW Legal Services Limited is a premier niche legal debt recovery business and WAB Investments Ltd has no other activities. Consequently, the following description applies to the operations, strategy and vision of BW Legal.

#### **Strategic objectives and vision**

As the premier independent legal debt recovery law firm in the UK, we continue to be committed to being progressive and innovative and to inspire continuous positive change through investment in technology and our people, who are key to our success. We strive to deliver a best in class service.

#### **Business model**

The Group creates revenue through regular instructions from its clients to recover sums due to them using an income model mostly based on contingent commission or a fixed costs basis through to legal services where we drive additional revenue from solicitor's costs. We are generally instructed monthly on a high-volume basis and can manage for our clients, the full spectrum of debt recovery from early arrears through to litigation. Where our services to clients are on a contingent income model, it is a fully inclusive service supporting them with case administrative support, query resolutions, trace and litigation scoring together with real time reporting.

The Group continues to invest heavily in the development of its people and technologies. It has maintained its Cyber Essentials Plus and ISO27001 accreditations and Investor in People Gold award and is CIPD Qualified for our BW Be the Best Training. In 2023 it has added ISO9001 and ISO14001 to its accreditations. We remain a forward-thinking innovative business that seeks year on year to improve both its customers' and clients' experience. Delivering a best-in-class service for our clients means we set the benchmark for how volume instruction, within any law firm or pre-legal environment, can deliver results whilst being progressive and driving continuous reinvestment into its product delivery and client/customer experiences.

#### **Current opportunities**

The Group has continued to grow in the energy sector and is building on opportunities in the insurance sector and panel management. It was invited to tender for the debt recovery panel for NHS Shared Business Services Legal Services for Health and was successful in that bid. The firm remains a key service provider for debt recovery and litigation services for premier clients in the private parking sector and has been heavily involved in discussions with the government, via the accredited trade organisation, in terms of the consultancy process for the single code of practice. This is a pivotal step in supporting our established clients and developing new client relationships.

#### **Risks and uncertainties**

The key risk and uncertainty facing the majority of businesses in the UK continues to be the impact of persistent high inflation driven by various factors both at home and abroad. This puts additional pressure on customers' ability to maintain usual expenditures and will lead to more arrears and defaults of agreements. This generates a higher inflow of cases for us to manage but for some customers results in the lower ability to pay which has been seen during 2023. However, by working closely with clients and customers we are able to offer flexible and pre-approved repayment options and the ability to fully self-serve their cases using our intuitive in-house built customer portal. We have invested heavily in continuing to enhance our customer experience allowing our customers to have full control over their cases with us 24/7. This level of flexibility will allow us to take on more cases and still maintain our high level of client service whilst also assisting us in both revenue protection and liquidity in the face of uncertain economic conditions.

## **WAB INVESTMENTS LTD**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **Regulatory**

Maintaining the high standard expected from regulators such as the SRA/FCA and the ever-evolving changes in the landscape of regulations means that, at times these changes must be delivered quickly. This is part of the environment the Group has to manage within. This can carry risks for regulated businesses because it is often impossible to predict how regulators will approach a particular market from year to year. However, because BW Legal are market leading in terms of our approach and have embedded a high standard of adherence and flexibility into all our business processes, we often find that we can adapt to change quicker than some peers which at times can produce opportunities.

#### **Key performance indicators**

The Group has a strong ethos of treating customers fairly, delivering optimal results to clients and remaining current in terms of its regulatory approach. It therefore closely monitors performance against revenue and EBITDA, along with regularly assessing the value built. The very nature of our business means that collections performance is the key factor to driving company revenue and overall client results whilst operating within our company values. The Group does not set financial targets in respect of cash recoveries. Our performance indicators and governance framework are set on delivering excellence and quality assurance, equality and education of our employees, excellent customer service and excelling within the dual regulatory frameworks. The natural output of that is excellent results for clients.

The Group notes that revenue increased by 4% over the period but EBITDA decreased as we continued to invest in our clients' cases, our products and systems to support new volume clients and in different sectors which will see revenue and EBITDA grow in 2023 and beyond. Its drive for continuous investment in its employees and technology places us in a strong position to achieve competitive contract wins and new clients for long term growth.

We are happy to have maintained top-line growth which, in an extremely challenging environment, is especially encouraging. The Group's investments during the year have positioned it well to support clients old and new with their debt build up by adapting tailored client and sector specific approaches, with proven results yielding longevity in our client relationships.

#### **Outlook**

The director is confident that the Group will see significant growth during 2024 as it sees the positive impact of its prior investment in people, processes and technology. In addition, noted appointments to key panels and new client relationships will unlock the volumes available throughout the year and allow it to finish with a strong growth in revenue.

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



**R Withers**  
Director

28 December 2023

## **WAB INVESTMENTS LTD**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The director presents her annual report and the financial statements for the year ended 31 December 2022.

#### **Principal activity**

The principal activity of the group continued to be that of debt recovery and bespoke legal services.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £732,569 (2021:£1,387,064).

During the year a dividend of £388,800 has been paid (2021: £388,800). The director does not recommend the payment of a final dividend.

#### **Director**

The director who served during the year was:

R Withers

#### **Disabled employees**

It is the Group's policy that full consideration is given to applications for employment by disabled persons, having regard to the respective aptitudes and abilities of the applicant concerned. In the event of employees becoming disabled, continuity and appropriate training is arranged where practicable. As far as possible, disabled employees are treated equally with other employees as regards training, career development and promotion.

#### **Employee involvement**

The Group is committed to ensuring that all its employees are kept up to date with business-related matters where they are relevant and impact them. The Group have a business-wide intranet that holds all group updates, policies and news. The Group have a dedicated Employee Engagement team along with a Learning and Development team that report to the Head of People and Culture. The Group frequently publish new e-Learning and classroom-based learning plus updates on compulsory regulatory updates, policies and items that may impact the business. There are also additional courses available, employee-wide, from the Inspire to Learn and lead program. Through the general employee updates the employee base is kept apprised of work volumes and business commitments.

#### **Statement of disclosure to auditor**

The director at the time when this Director's report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- 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.

## **WAB INVESTMENTS LTD**

### **DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **Going concern**

The director has assessed the current financial position of the group as well as its forecasted performance and cash flows for a period of at least 12 months following the approval of these financial statements. The director has concluded that the group remains a going concern. The strategic plans of the business are to continue its trading relationships with existing clients whilst seeking to grow its revenues with new business opportunities. Furthermore, the director has not identified any material uncertainties which in their view cast significant doubt over the going concern of the company.

The director took account of the following key considerations when assessing the going concern of the company:

- Prior to approval of these financial statements the group and its principal lender have agreed heads of terms for an extension of the existing loan facilities until 8 December 2025. This extension will allow the company an appropriate time period to secure longer term financing. Accrued PIK interest, Make Whole and Exit fees from the original facilities agreement are to be added to the loan principal. An exit fee is payable upon repayment of the facilities;
- Conservative volumes based on recent actuals have been assumed for the forecast. This forecast demonstrates that the company will maintain liquidity and stay within the limits of its facilities arrangement for a period of at least the next 12 months;
- The group is a co-borrower and co-guarantor of the facilities with a related party. At the time of signing these financial statements the combined group is in a net asset position with sufficient cash on hand to settle its liabilities as they fall due;
- There are significant opportunities for growth in the markets in which the group operates which will increase volumes with current relationship growth and through progressing a number of pipeline opportunities;
- The director has identified a number of possible actions which, in the event of a severe downside scenario, could be enacted by management in order to ensure positive liquidity and covenant compliance is preserved over the next 12 months.

The director therefore expects that the group will have sufficient resources to enable it to meet its liabilities as they fall due for a period of at least 12 months from signing these financial statements. On this basis, the director has concluded that the group remains a going concern and have therefore adopted this as the basis of preparation for these financial statements.

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



**R Withers**  
Director

Date: 28 December 2023

## **WAB INVESTMENTS LTD**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAB INVESTMENTS LTD**

#### **Opinion**

We have audited the financial statements of WAB Investments Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated statement of income and retained earnings, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows 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 31 December 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 director's 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 director 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 director is 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.



## **WAB INVESTMENTS LTD**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAB INVESTMENTS LTD (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 Director's 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 Director's 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 Director's 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 director's 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 Director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **WAB INVESTMENTS LTD**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAB INVESTMENTS LTD (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 focused on key laws and regulations the company 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 detecting irregularities included, but were not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of legal and professional nominal codes and board minutes;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions with the compliance officer and process walkthroughs;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing significant accounting estimates including the valuation of work in progress for bias.

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

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

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**WAB INVESTMENTS LTD**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAB INVESTMENTS LTD (CONTINUED)**

**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.

*Cooper Parry Group Limited*

Neil Calder (Senior statutory auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

Date: *28 December 2023*

**WAB INVESTMENTS LTD**

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Turnover</b>	3	16,771,969	16,167,839
Administrative expenses		(14,342,955)	(13,051,801)
<b>Operating profit</b>	4	2,429,014	3,116,038
Interest payable and similar expenses	7	(1,825,578)	(1,672,848)
<b>Profit before tax</b>		603,436	1,443,190
Tax on profit	8	129,133	(56,126)
<b>Profit after tax</b>		732,569	1,387,064
Retained earnings brought forward		4,538,998	3,540,734
Profit for the year attributable to the owners of the parent		732,569	1,387,064
Dividends declared and paid		(388,800)	(388,800)
<b>Retained earnings at the end of the year</b>		4,882,767	4,538,998

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 14 to 28 form part of these financial statements.

**WAB INVESTMENTS LTD**  
**REGISTERED NUMBER: 08290311**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	10	429,068	533,786
Tangible assets	11	220,939	274,493
		<u>650,007</u>	<u>808,279</u>
<b>Current assets</b>			
Debtors	14	19,125,809	16,298,608
Cash at bank and in hand		392,043	465,346
		<u>19,517,852</u>	<u>16,763,954</u>
<b>Creditors: amounts falling due within one year</b>		<u>(2,341,647)</u>	<u>(1,351,123)</u>
<b>Net current assets</b>		17,176,205	15,412,831
<b>Total assets less current liabilities</b>		<u>17,826,212</u>	<u>16,221,110</u>
<b>Creditors: amounts falling due after more than one year</b>		(12,943,345)	(11,661,207)
<b>Provisions for liabilities</b>			
Deferred tax		-	(20,805)
<b>Net assets</b>		<u><u>4,882,867</u></u>	<u><u>4,539,098</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	100	100
Profit and loss account	21	4,882,767	4,538,998
<b>Total equity</b>		<u><u>4,882,867</u></u>	<u><u>4,539,098</u></u>

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



**R Withers**  
Director

Date: 28 December 2023

The notes on pages 14 to 28 form part of these financial statements.

**WAB INVESTMENTS LTD**  
**REGISTERED NUMBER: 08290311**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	12	45	45
<b>Current assets</b>			
Debtors	14	100	100
<b>Net current assets</b>		100	100
<b>Net assets</b>		145	145
<b>Capital and reserves</b>			
Called up share capital	20	100	100
Profit and loss account carried forward		45	45
		145	145

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

**R Withers**  
Director



Date: 28 December 2023

The notes on pages 14 to 28 form part of these financial statements.

**WAB INVESTMENTS LTD**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	732,569	1,387,064
<b>Adjustments for:</b>		
Amortisation of intangible assets	104,718	125,194
Depreciation of tangible assets	154,103	228,033
Loss on disposal of tangible assets	(102)	-
Interest charge	1,825,578	1,672,848
Taxation charge	(129,133)	56,126
(Increase) in debtors	(2,638,873)	(2,051,179)
Increase/(decrease) in creditors	995,095	(2,115)
Corporation tax (paid)	(80,000)	(418,722)
<b>Net cash generated from operating activities</b>	<b>963,955</b>	<b>997,249</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(30,358)	(145,194)
Sale of tangible fixed assets	1,903	-
<b>Net cash used in investing activities</b>	<b>(28,455)</b>	<b>(145,194)</b>
<b>Cash flows from financing activities</b>		
New secured loans	142,196	189,173
Repayment of finance leases	(39,795)	(180)
Dividends paid	(388,800)	(388,800)
Interest paid	(722,404)	(689,641)
<b>Net cash used in financing activities</b>	<b>(1,008,803)</b>	<b>(889,448)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(73,303)</b>	<b>(37,393)</b>
Cash and cash equivalents at beginning of year	465,346	502,739
<b>Cash and cash equivalents at the end of year</b>	<b>392,043</b>	<b>465,346</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	392,043	465,346
	<b>392,043</b>	<b>465,346</b>

The notes on pages 14 to 28 form part of these financial statements.

**WAB INVESTMENTS LTD**

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>At 1 January 2022 £</b>	<b>Cash flows £</b>	<b>New finance leases £</b>	<b>At 31 December 2022 £</b>
Cash at bank and in hand	465,346	(73,303)	-	392,043
Debt due after 1 year	(9,217,299)	(142,196)	-	(9,359,495)
Finance leases	(30,525)	39,795	(71,992)	(62,722)
	<u>(8,782,478)</u>	<u>(175,704)</u>	<u>(71,992)</u>	<u>(9,030,174)</u>

The notes on pages 14 to 28 form part of these financial statements.



## **WAB INVESTMENTS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. Accounting policies**

WAB Investments Ltd (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of the company's registered office is disclosed on the company information page.

The group consists of WAB Investments Ltd and its subsidiary.

The financial statements are prepared in Sterling (£), which is the functional currency of the company and are for the year ended 31 December 2022 (2021: 31 December 2021).

##### **1.1 Basis of preparation of financial statements**

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the group's accounting policies (see note 2).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

The company's profit for the year was £388,800 (2021: £388,800 profit).

The following principal accounting policies have been applied:

##### **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 statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### **1.3 Going concern**

The director has assessed the current financial position of the group as well as its forecasted performance and cash flows for a period of at least 12 months following the approval of these financial statements. The director has concluded that the group remains a going concern. The strategic plans of the business are to continue its trading relationships with existing clients whilst seeking to grow its revenues with new business opportunities. Furthermore, the director has not identified any material uncertainties which in their view cast significant doubt over the going concern of the company.

## **WAB INVESTMENTS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. Accounting policies (continued)**

##### **1.3 Going concern (continued)**

The director took account of the following key considerations when assessing the going concern of the company:

- Prior to approval of these financial statements the group and its principal lender have agreed heads of terms for an extension of the existing loan facilities until 8 December 2025. This extension will allow the company an appropriate time period to secure longer term financing. Accrued PIK interest, Make Whole and Exit fees from the original facilities agreement are to be added to the loan principal. An exit fee is payable upon repayment of the facilities;
- Conservative volumes based on recent actuals have been assumed for the forecast. This forecast demonstrates that the company will maintain liquidity and stay within the limits of its facilities arrangement for a period of at least the next 12 months;
- The group is a co-borrower and co-guarantor of the facilities with a related party. At the time of signing these financial statements the combined group is in a net asset position with sufficient cash on hand to settle its liabilities as they fall due;
- There are significant opportunities for growth in the markets in which the group operates which will increase volumes with current relationship growth and through progressing a number of pipeline opportunities;
- The director has identified a number of possible actions which, in the event of a severe downside scenario, could be enacted by management in order to ensure positive liquidity and covenant compliance is preserved over the next 12 months.

The director therefore expects that the group will have sufficient resources to enable it to meet its liabilities as they fall due for a period of at least 12 months from signing these financial statements. On this basis, the director has concluded that the group remains a going concern and have therefore adopted this as the basis of preparation for these financial statements.

##### **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.

Commissions earned from debt collection are recognised at the point of debt recovery. An adjustment is made at the reporting date to recognise commissions relating to debt recovered not yet invoiced.

## **WAB INVESTMENTS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. Accounting policies (continued)**

##### **1.5 Intangible assets**

###### **Goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

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

###### **Other intangible assets**

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

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

Amortisation is provided on the following bases:

Software	- 25 % reducing balance
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##### **1.6 Tangible fixed assets**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 5 years straight line
Computer equipment	- 4 years straight line

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

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

At each balance sheet date, the group reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

## **WAB INVESTMENTS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. Accounting policies (continued)**

##### **1.6 Tangible fixed assets (continued)**

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised as an expense in the profit and loss account immediately.

##### **1.7 Fixed asset investments**

Equity investments are measured at fair value through profit and loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **1.8 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.

##### **1.9 Financial instruments**

The group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

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

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

## **WAB INVESTMENTS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. Accounting policies (continued)**

##### **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.

##### **1.11 Employee benefits**

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

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

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

##### **1.12 Pensions**

###### **Defined contribution pension**

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 Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

## **WAB INVESTMENTS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. Accounting policies (continued)**

##### **1.13 Leased assets: the group as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.14 Operating leases: the group as lessee**

Rentals paid under operating leases are charged to profit or loss 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.

##### **1.15 Interest income**

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

##### **1.16 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **1.17 Dividends**

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

#### **2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The director makes estimates and assumptions concerning the future. They 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 experience 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:

##### **Work in progress**

Work in progress represents the fair value of future income receivable from payment plans agreed with customers. The fair value of the future cash flows is determined by making certain estimates and assumptions which are inherently judgemental and seek to discount gross predicted cash flows down to their estimated fair value. The key estimates relate to the prevailing market rate of debt and the level of default on expected future cash flows. Market rates are determined by reference to similar companies and instruments and default rates are based on historical collection data and adjusted, where relevant, for future anticipated changes in collection behaviour.

## WAB INVESTMENTS LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2. Judgments in applying accounting policies (continued)

An uplift or reduction in the default rate of 1% would result in a change in carrying value of the work in progress by £183,603. An increase in the discount rate of 1% would reduce the carrying value of the work in progress by £248,773. A reduction in the discount rate of 1% would result in an increase in the carrying value of the work in progress by £640,762.

#### Research and development tax credits

The group has carried out qualifying R&D activities in recent years and included a deduction within its corporation tax return for relevant costs. As at 31 December 2022 a total tax benefit of £631,000 in relation to the 2020 – 2022 accounting years is recognised in the financial statements. Post year end HMRC requested information from the group to support the claims made for 2020 and 2021. On 9 October 2023 HMRC wrote to the group rejecting its claims for R&D tax relief in full.

Having taken professional advice, the Director believes that the claims made meet the definitions of R&D for tax purposes and are in continuing dialogue with HMRC to advance this matter. In the Directors' judgement it remains probable that the group will receive the benefit of the tax deductions. However, this is an uncertain position that may result in a material adjustment in future financial years.

#### 3. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Fees receivable	14,581,804	14,155,411
Movement in work in progress	2,190,165	2,012,428
	<u>16,771,969</u>	<u>16,167,839</u>

All turnover arose within the United Kingdom.

#### 4. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Fees payable to the company's auditor of the company's financial statements	35,000	27,555
Depreciation of owned tangible fixed assets	154,103	228,033
Profit on disposal of tangible fixed assets	(102)	-
Amortisation of intangible assets	104,718	85,133
Operating lease charges	<u>343,260</u>	<u>353,506</u>

**WAB INVESTMENTS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. Employees**

Staff costs, including director's remuneration, were as follows:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Wages and Salaries	7,388,419	6,994,325	-	-
Social security costs	748,731	641,257	-	-
Cost of defined contribution scheme	131,559	120,368	-	-
	<u>8,268,709</u>	<u>7,755,950</u>	<u>-</u>	<u>-</u>

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

	<b>Group 2022 No.</b>	<b>Group 2021 No.</b>	<b>Company 2022 No.</b>	<b>Company 2021 No.</b>
Employees	<u>266</u>	<u>263</u>	<u>1</u>	<u>1</u>

**6. Director's remuneration**

	<b>2022 £</b>	<b>2021 £</b>
Director's emoluments	140,073	134,832
	<u>140,073</u>	<u>134,832</u>

**7. Interest payable and similar expenses**

	<b>2022 £</b>	<b>2021 £</b>
Interest on bank overdrafts and loans	718,001	686,621
PIK interest on bank loans	1,103,174	983,207
Interest on finance leases and hire purchase contracts	4,403	3,020
	<u>1,825,578</u>	<u>1,672,848</u>



**WAB INVESTMENTS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	-	56,126
Adjustments in respect of previous periods	7,015	-
<b>Total current tax</b>	<u>7,015</u>	<u>56,126</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(14,410)	-
Losses and other deductions	(121,738)	-
<b>Total deferred tax</b>	<u>(136,148)</u>	<u>-</u>
<b>Tax on profit</b>	<u>(129,133)</u>	<u>56,126</u>

**Factors affecting tax charge for the year**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>603,436</u>	<u>1,443,190</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 -19%)	114,653	274,206
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	7,612	7,612
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,915	1,535
Fixed asset differences	(4,050)	(5,137)
Adjustments to tax charge in respect of prior periods	7,015	(1,774)
Short-term timing difference leading to an increase (decrease) in taxation	-	4,994
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(228,600)	(226,865)
Changes in deferred tax rates	(32,675)	-
Deferred tax not recognised	(3)	1,555
<b>Total tax charge for the year</b>	<u>(129,133)</u>	<u>56,126</u>

**WAB INVESTMENTS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 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 31 December 2022. As such the deferred tax rate that has been applied in these financial statements is both 19% and 25% depending on when such asset or liability is expected to unwind.

**9. Dividends**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Recognised as distributions to equity holders:</b>		
Interim dividend	388,800	388,800
	<u>388,800</u>	<u>388,800</u>

**10. Intangible assets**

**Group and Company**

	<b>Computer software £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2022	585,904	400,606	986,510
At 31 December 2022	<u>585,904</u>	<u>400,606</u>	<u>986,510</u>
<b>Amortisation</b>			
At 1 January 2022	335,880	116,844	452,724
Charge for the year on owned assets	64,657	40,061	104,718
At 31 December 2022	<u>400,537</u>	<u>156,905</u>	<u>557,442</u>
<b>Net book value</b>			
At 31 December 2022	<u>185,367</u>	<u>243,701</u>	<u>429,068</u>
At 31 December 2021	<u>250,024</u>	<u>283,762</u>	<u>533,786</u>

**WAB INVESTMENTS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. Intangible assets (continued)**

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

**11. Tangible fixed assets**

**Group**

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	638,481	413,416	1,051,897
Additions	24,688	77,662	102,350
Disposals	-	(2,005)	(2,005)
At 31 December 2022	<u>663,169</u>	<u>489,073</u>	<u>1,152,242</u>
<b>Depreciation</b>			
At 1 January 2022	524,763	252,641	777,404
Charge for the year on owned assets	78,257	75,846	154,103
Disposals	-	(204)	(204)
At 31 December 2022	<u>603,020</u>	<u>328,283</u>	<u>931,303</u>
<b>Net book value</b>			
At 31 December 2022	<u>60,149</u>	<u>160,790</u>	<u>220,939</u>
At 31 December 2021	<u>113,718</u>	<u>160,775</u>	<u>274,493</u>

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

**WAB INVESTMENTS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**12. Fixed asset investments**

**Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2022	45
At 31 December 2022	<u>45</u>

**13. Subsidiary undertaking**

**Subsidiary undertaking**

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
BW Legal Services Limited	Enterprise House, Apex View, Leeds, England, LS11 9BH	Ordinary	100%

**14. Debtors**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due after more than one year</b>				
Work in progress	10,954,668	9,186,148	-	-
	<u>10,954,668</u>	<u>9,186,148</u>	<u>-</u>	<u>-</u>
<b>Due within one year</b>				
Trade debtors	659,378	256,261	100	100
Work in progress	6,622,517	6,241,517	-	-
Prepayments and accrued income	682,231	595,995	-	-
Tax recoverable	91,672	18,687	-	-
Deferred taxation	115,343	-	-	-
	<u>19,125,809</u>	<u>16,298,608</u>	<u>100</u>	<u>100</u>

**WAB INVESTMENTS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**15. Creditors: Amounts falling due within one year**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	1,482,942	627,952	-	-
Other taxation and social security	179,270	201,552	-	-
Obligations under finance lease and hire purchase contracts	25,954	30,525	-	-
Other creditors	28,301	25,786	-	-
Accruals and deferred income	625,180	465,308	-	-
	<u>2,341,647</u>	<u>1,351,123</u>	<u>-</u>	<u>-</u>

**16. Creditors: Amounts falling due after more than one year**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	9,359,495	9,217,299	-	-
Net obligations under finance leases and hire purchase contracts	36,768	-	-	-
Accruals and deferred income	3,547,082	2,443,908	-	-
	<u>12,943,345</u>	<u>11,661,207</u>	<u>-</u>	<u>-</u>

The bank loan, principal and accrued interest, are due for repayment in full in February 2024. In December 2023, the group agreed Heads of Terms for an extension of the loan facilities until December 2025.

**17. Finance lease obligations**

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	25,954	30,525
Between 1-5 years	36,768	-
	<u>62,722</u>	<u>30,525</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 1 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

## Group

## 19. Pension commitments

## 20. Share capital

## 21. Reserves

Includes all current and prior period retained profits and losses.

## WAB INVESTMENTS LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 22. Commitments under operating leases

At 31 December 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 £
Not later than 1 year	348,564	302,948
Later than 1 year and not later than 5 years	1,394,257	1,413,757
Later than 5 years	1,423,304	2,053,313
	<u>3,166,125</u>	<u>3,770,018</u>

#### 23. Cross guarantees

As at the year end, the group has provided a guarantee on behalf of a related party, PRAC Financial Limited. This guarantees the balance of a joint financing facility should the related party default on their payments. As at the year end, the amount owed by PRAC Financial Limited was £21,340,065 (2021: £20,342,539). PRAC Financial Limited holds a significant purchased loan portfolio recognised at a discounted fair value of £17,410,162 in its financial statements and expects to collect sufficient funds from this loan portfolio to service the financing facility. On this basis, the directors do not expect any call on the guarantee to be made.

#### 24. Related party transactions

##### Summary of transactions with related parties

Sale of goods to other related parties amounted to £6,153,132 (2021: £5,918,486). Amounts receivable from these related parties amounted to £Nil (2021: £554) and are included within trade debtors. Amounts received in advance amounted to £409,578 (2021: £Nil) are included within trade creditors.

##### Summary of transactions with directors

During the year the company made total advances of £314,373 (2021: £330,484) to the directors of which £388,800 (2021: £388,800) has been repaid. At the end of the reporting period the company owes £58,233 (2021: is owed £16,194).

#### 25. Ultimate controlling party

The ultimate controlling party is Rachael Withers by virtue of her 100% shareholding in the company.