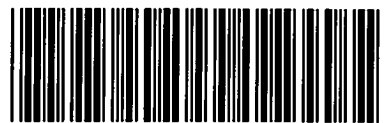


PRICE BAILEY LLP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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PRICE BAILEY LLP

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PRICE BAILEY LLP

INFORMATION

Designated Members	C W Olley (resigned 31 March 2023) M W H Clapson H W Sears P N Cullen R L Vass N E Khan S J Blake (appointed 1 December 2022)
LLP registered number	OC307551
Registered office	Causeway House 1 Dane Street Bishops Stortford Hertfordshire CM23 3BT
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Principal Bankers	HSBC Bank Plc St John's Innovation Park Cowley Road Cambridge CB4 0DS
Principal Solicitors	Tees Law 95 London Road Bishops Stortford Hertfordshire CM23 3GW

PRICE BAILEY LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The members present their annual report together with the audited financial statements of Price Bailey LLP (the "LLP") for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activity of the LLP is the provision of a range of professional accounting, audit, tax, financial and related services. Most activities are currently carried out in the UK.

The strategy of the LLP is determined by the members for implementation by the Board from time to time and derives from the identification and management of significant opportunities and risks. The key elements of the LLP's strategy are set out in the group's strategic plan.

DESIGNATED MEMBERS

C W Olley (resigned 31 March 2023), M W H Clapson, H W Sears, R L Vass, N E Khan, S J Blake (appointed 1 December 2022) and P N Cullen were designated members of the LLP throughout the period.

MEMBERS PROFIT SHARES

Members are remunerated out of the profits of the LLP and the group and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between Members periodically during and after the end of the year in accordance with the Members' Agreement. Members' remuneration includes an element charged as an expense comprising:

- A base component, reflecting the role of each member
- Bonus, rewarding performance in the year
- Non-cash benefits
- Quasi interest on amounts classified as debt

All residual realised profit will be allocated to Price Bailey Group Ltd.

Where members lend money to the LLP, whether in undrawn profit or otherwise, the firm pays interest which is charged as an expense before arriving at profit shares available for discretionary division.

MEMBERS' DRAWINGS

The policies of Price Bailey LLP regarding the allocation of profits to members, interim drawings and on account distributions, and the subscription and redemption of members capital are disclosed in the accounting policies note.

AUDITOR

The auditor, Crowe U.K. LLP, has indicated its willingness to be reappointed as statutory auditor.

This report was approved by the members on 12 Dec 2023 and signed on their behalf by:

Paul Cullen

P N Cullen
P N Cullen (Dec 12, 2023, 6:47pm)
Designated member

PRICE BAILEY LLP

MEMBERS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members 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, as applied to LLPs, the members 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies for the LLP'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 entity will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRICE BAILEY LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRICE BAILEY LLP

OPINION

We have audited the financial statements of Price Bailey LLP (the LLP) for the year ended 31 March 2023, which comprise Income Statement, the Balance Sheet, Reconciliation of Members' Interests (including statements of changes in equity) and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 LLP's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to LLPs.

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 LLP 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.

EMPHASIS OF MATTER

We draw attention to notes 3, 6 and 16 of the financial statements, which describes the judgement management has made in respect of amounts due from a particular client portfolio and the extent to which a provision has been recognised in the financial statements. Our opinion is not qualified in respect of this matter.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the members' 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 LLP'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 members with respect to going concern are described in the relevant sections of this report.

PRICE BAILEY LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRICE BAILEY LLP (CONTINUED)

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 members 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF MEMBERS

As explained more fully in the Members' Responsibilities Statement on page 3, the members 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 members 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

PRICE BAILEY LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRICE BAILEY LLP (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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.

We obtained an understanding of the legal and regulatory frameworks within which the LLP operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, and those regulations relating to the LLP's business of being chartered accountants.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, revenue recognition and the recoverability of debtors. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, specific testing on client engagements in relation to revenue recognition and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

PRICE BAILEY LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRICE BAILEY LLP (CONTINUED)

USE OF OUR REPORT

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied LLPs. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ryan Ketteringham (Dec 13, 2023,
1:38pm)

Ryan Ketteringham FCA
(Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date: 13 Dec 2023

PRICE BAILEY LLP

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Turnover	4	31,336	29,872
Other operating income	5	22	33
Other external charges		(3,675)	(2,414)
Staff costs	7	(14,665)	(13,356)
Depreciation and amortisation		(130)	(130)
Other operating expenses		(7,856)	(8,025)
Operating profit	6	5,032	5,980
Income from shares in group undertakings		431	823
Income from other fixed asset investments		50	35
Profit on disposal of investments		22	113
Interest payable and similar expenses	12	(4)	(8)
Profit before members' remuneration and profit shares		5,531	6,943
Profit for the year before members' remuneration and profit shares		5,531	6,943
Members' remuneration charged as an expense		(5,138)	(5,310)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		393	1,633

There was no other comprehensive income for 2023(2022:£000NIL).

The notes on pages 12 to 26 form part of these financial statements.

PRICE BAILEY LLP
REGISTERED NUMBER: OC307551

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	13	94	108
Tangible assets	14	713	820
Investments	15	3,454	3,828
		<u>4,261</u>	<u>4,756</u>
Current assets			
Debtors: amounts falling due within one year	16	15,132	12,794
Cash at bank and in hand	17	487	491
		<u>15,619</u>	<u>13,285</u>
Creditors: Amounts Falling Due Within One Year	18	(8,522)	(7,399)
Net current assets		<u>7,097</u>	<u>5,886</u>
Total assets less current liabilities		<u>11,358</u>	<u>10,642</u>
Provisions for liabilities			
Other provisions	19	(705)	(674)
Net assets attributable to members		<u><u>10,653</u></u>	<u><u>9,968</u></u>

PRICE BAILEY LLP
REGISTERED NUMBER: OC307551

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Represented by:			
Loans and other debts due to members within one year		2,448	1,917
Members' other interests			
Members' capital		8,145	8,025
Other reserves		60	26
		<u>8,205</u>	<u>8,051</u>
		<u>10,653</u>	<u>9,968</u>
Total members' interests			
Amounts due from members (included in debtors)	16	-	(574)
Loans and other debts due to members		2,448	1,917
Members' other interests		8,205	8,051
		<u>10,653</u>	<u>9,394</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 12 Dec 2023

Paul Cullen

Paul Cullen
 Designated member

M W H Clapson

Martin Clapson (Dec 12, 2023, 6:17pm)
M W H Clapson
 Designated member

The notes on pages 12 to 26 form part of these financial statements.

PRICE BAILEY LLP

RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2023

	EQUITY			DEBT		Total
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		members' interests
	Members' capital (classified as equity) £000	Other reserves £000	Total £000	Other amounts £000	Total £000	Total £000
Amounts due to members				1,898	1,898	
BALANCE AT 1 APRIL 2021	7,535	7	7,542	1,898	1,898	9,440
Members' remuneration charged as an expense	-	-	-	5,310	5,310	5,310
Profit for the year available for discretionary division among members	-	1,632	1,632	-	-	1,632
MEMBERS' INTERESTS AFTER PROFIT FOR THE YEAR	7,535	1,639	9,174	7,208	7,208	16,382
Other movements	-	(1,613)	(1,613)	1,613	1,613	-
Amounts introduced by members	610	-	610	(424)	(424)	186
Conversion of members' capital to debt	(120)	-	(120)	120	120	-
Drawings	-	-	-	(7,174)	(7,174)	(7,174)
Amounts due to members				1,917	1,917	
Amounts due from members				(574)	(574)	
BALANCE AT 31 MARCH 2022	8,025	26	8,051	1,343	1,343	9,394
Members' remuneration charged as an expense	-	-	-	5,138	5,138	5,138
Profit for the year available for discretionary division among members	-	392	392	-	-	392
MEMBERS' INTERESTS AFTER PROFIT FOR THE YEAR	8,025	418	8,443	6,481	6,481	14,924
Other division of profits	-	(358)	(358)	358	358	-
Conversion of debt to equity	160	-	160	(155)	(155)	5
Repayment of capital on retirement	(40)	-	(40)	-	-	(40)
Drawings	-	-	-	(4,809)	(4,809)	(4,809)
Repayment of debt due from members	-	-	-	574	574	574
Amounts due to members				2,448	2,448	
BALANCE AT 31 MARCH 2023	8,145	60	8,205	2,448	2,448	10,653

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

PRICE BAILEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

Price Bailey LLP is a limited liability partnership and is incorporated in England and Wales, registered number OC307551. The address of its registered office is Causeway House, 1 Dane Street, Bishop's Stortford, Hertfordshire, CM23 3BT. These financial statements are the individual financial statements of the LLP.

The principal activity of the LLP is the provision of a range of professional, accounting, audit, tax, financial and related services.

2. ACCOUNTING POLICIES

2.1 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, Statement of Recommended Practice "Accounting by Limited Liability Partnerships", and the Companies Act 2006, as applied to LLPs.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies (see note 3).

The long term financing of the firm is provided by capital introduced by the members, bank loans, deferred consideration on acquisitions and by profits retained within the business. Bank overdrafts, which are renewed annually, are utilised to provide working capital facilities and to assist in minor capital expenditure projects.

The firm produces annual budgets and forecasts which take account of expected changes in the firm's trading performance, capital expenditure plans and debt servicing and these demonstrate that the firm will be able to operate within its current level of facilities. On this basis, the members consider it appropriate to prepare the financial statements on the going concern basis.

Price Bailey LLP is referred to in these financial statements as either the LLP or the partnership.

The LLP is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006, as applied to LLPs. These financial statements therefore present information about the LLP as an individual undertaking and not about its group.

PRICE BAILEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Price Bailey Group Limited as at 31 March 2023 and these financial statements may be obtained from Causeway House, 1 Dane Street, Bishop's Stortford, Hertfordshire CM23 3BT.

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue 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

Revenue 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 LLP 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.

2.4 INTANGIBLE ASSETS

Goodwill is the difference between amounts estimated to be paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Income Statement over its estimated economic life.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (CONTINUED)

2.5 TANGIBLE FIXED ASSETS

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

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Short term leasehold property	- Evenly over the period of the lease
Fixtures & fittings	- 15% reducing balance
Computer software and equipment	- 3 or 5 years, straight line

2.6 OPERATING LEASES

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the term of the lease.

2.7 INVESTMENTS

The LLP accounts for its investments in LLPs at cost, recognising its share of profit or loss as it accrues by addition to or deduction from the carrying value of the investment. Receipts from the LLP, whether on account of allocated profit or capital, are accounted for as partial disposals of the investment.

This method has been chosen in order that the partnership's accounts reflect profits and losses recognised by, but retained in, subsidiary and associated undertakings.

Other investments are stated at cost less any provision for impairment.

Changes in the valuation of subsidiary entities arising from realised profits are taken to the profit and loss account as part of the income from shares of group undertakings if the entity is constituted as an LLP which gives Price Bailey LLP the right to its share of profit. The company has also elected to carry subsidiary entities at fair value through profit or loss and therefore changes in valuation from realised profits of entities constituted as limited companies over which the LLP has no such automatic right are also taken to the profit and loss account.

2.8 CASH

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

PRICE BAILEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.9 FINANCIAL INSTRUMENTS

The LLP only enters into basic financial transactions that result in the recognition of financial assets and liabilities ("instruments") like trade and other accounts receivable and payable, deposits with and loans from banks and other third parties, loans to and from related parties and investments in non puttable ordinary shares. The LLP's best estimate of deferred and contingent consideration payable or receivable for business acquisitions and disposals is included.

Instruments that are wholly payable or receivable within one year, typically short term loans, trade debtors, creditors and accruals are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid, which is usually the transaction price, less (in the case of debtors) any impairment.

Instruments repayable or receivable in whole or in part over more than one year, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. In ascertaining present values the discount is determined by reference to the group's usual cost of bank borrowing.

2.10 ALLOCATION OF PROFITS AND DRAWINGS

Members' are remunerated out of the profits of the LLP, which are allocated between members periodically during and after their year end in accordance with the Members' Agreement. Members' remuneration includes an element charged as an expense. All residual realised profit is allocated to Price Bailey Group Limited.

During the year members receive occasional drawings. The level and timing of the drawings is decided by the Board, taking into account the LLP's cash requirements for operating and investing activities. The drawings represent payments on account of current year profits. Any over-distribution of profits during the year is recoverable from members.

2.11 CAPITAL

The capital requirement of the LLP is determined from time to time by the Board. Each member is required to subscribe a proportion of this capital, known as the members' share. No interest is paid on this capital.

Where a member acquires a business and provides it to the LLP for the LLP's use, the capital invested by the member in that business is recognised in members' shares as consideration for that acquisition.

On leaving the LLP, a member's share must be transferred to continuing members unless other arrangements are agreed.

2.12 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

PRICE BAILEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.13 PENSIONS

The LLP's pension scheme is a defined contribution stakeholder group personal pension plan, independently administered funds managed by Royal London. The amount charged against profits in respect of this scheme represents the contributions payable by the LLP for the accounting period. The LLP members make their own pension provision by contributing to personal pension arrangements or otherwise.

2.14 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.15 PROVISIONS FOR LIABILITIES

Provision is made for any property dilapidation and other end of lease commitment that has occurred when the obligation has been identified and an estimate of the cost thereof has been made with reasonable accuracy.

Provision is made for the estimated holding costs of all premises no longer required in the business as soon as the firm becomes committed to leaving the premises.

From time to time the firm becomes aware of professional service matters which may give rise to valid claims. Where an outflow of resources is considered probable and can be reliably estimated, provision is made for the likely cost (including related legal costs) of resolving the matter. The firm maintains professional indemnity insurance and expected reimbursements of these costs by insurers are recognised in other debtors. Amounts provided are based on management's assessment on a case by case basis and are revised as circumstances change. No separate disclosure is made of the detail of such claims and proceedings, or of the amounts recoverable by insurance, as to do so could seriously prejudice the position of the group. Where the outflow of resources is not considered probable or the amount cannot be estimated reliably then no provision is made.

Insurance is obtained on a claims made basis and the cost thereof for continuing activity is charged to the income statement over the term of the policies. For discontinued activities the insurance run off cost is charged to the income statement on the cessation of the particular activity. The cost of claims is expensed net of anticipated recoveries from insurers.

2.16 TAXATION

Taxation on all partnership profits is solely the personal liability of members. Consequently neither taxation nor related deferred taxation arising in respect of Price Bailey LLP is accounted for in these financial statements. Amounts retained for tax are treated in the same way as other profits of the partnership and so are included in debts due to members.

PRICE BAILEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. Unless otherwise stated, judgements and estimates are made on a single most likely outcome basis. The items in the financial statements where these judgements and estimates have a material effect are set out in this note.

Contracts in progress

The LLP's policy for contracts in progress is to not recognise value which is not recoverable. Management review the contracts in progress regularly, and irrecoverable work is written off. If the recoverability of work is doubtful a provision is included in the financial statements. Recoverability is subjective, based on the knowledge of the client and the details of the client assignment.

Unbilled work is generally valued by reference to standard values at the annual rolling recovery rate. Exceptionally, should the rolling recovery rate not be appropriate, a line by line evaluation is undertaken based on the judgement of the management team.

Trade debtors

Debts within the LLP are closely monitored by a dedicated credit control team and discussed with the management team. Client communications and financial positions are reviewed to judge the recoverability of a debt. The management team makes provisions for bad or doubtful debts within the financial statements on a specific basis. General provisions are not made.

Further information on provisions made is included in Note 6.

Client claims

All members and employees inform the professional indemnity team should they become aware of anything that could give rise to a claim from a client, regardless of its likelihood or merit. The circumstances are reviewed, along with any communication with our insurers, by the management team, and provisions are included within the financial statements when deemed necessary.

Property leases

The LLP's property leases often require its properties to be left in a specific condition at the end of the lease. As such the LLP makes dilapidation provisions for the anticipated works on a property across the life of the lease. The provisions are based on management best estimates, often with the assistance of an independent surveyor.

4. TURNOVER

The whole of the turnover is attributable to the provision of a range of professional accounting, audit, tax, financial and related services.

All turnover arose within the United Kingdom.

PRICE BAILEY LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. OTHER OPERATING INCOME

	2023 £000	2022 £000
Other operating income	-	11
Government grants receivable	22	22
	<u>22</u>	<u>33</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2023 £000	2022 £000
Depreciation of tangible fixed assets	113	97
Amortisation of intangible fixed assets	14	15
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	40	40
Other operating lease rentals	1,553	1,375
Bad debt expense	1,044	1,655
Staff costs associated with people on furlough (while on furlough) for which CJRS was claimed	-	20
	<u>-</u>	<u>20</u>

Impairment of trade debtors includes an amount of £2,786,000 (£2,320,000 net of VAT) (2022: £1,920,000, £1,600,000 net of VAT) amounting to 44% (2022: 47%) of the group's exposure to certain property companies, where collection is proving to be much more difficult than is usual. As explained in note 3 (estimates and judgements: trade debtors) this amount is subjective having regard to the circumstances which apply to the particular portfolio of clients and debts at the time of approval of these financial statements as known to management.

Management has assessed that although the debts remain collectible in full, due to material delays and complications in concluding corporate transactions which are outside the control of the group it is no longer realistic to expect full recovery.

PRICE BAILEY LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. EMPLOYEES

Staff costs were as follows:

	2023 £000	2022 £000
Wages and salaries	12,371	11,246
Social security costs	1,179	1,062
Cost of defined contribution pension scheme	1,115	1,047
	<u>14,665</u>	<u>13,355</u>

The average monthly number of persons employed during the year was as follows:

	2023 No.	2022 No.
Client service staff	289	250
Administrative and support staff	60	58
	<u>349</u>	<u>308</u>

8. MEMBERS REMUNERATION CHARGED AS AN EXPENSE

	2023 £000	2022 £000
Contractual entitlements to interest	43	30
Basic profit allocations, including partner expenses borne by the firm	4,304	3,803
Performance based bonus allocations	791	1,477
	<u>5,138</u>	<u>5,310</u>

9. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2023 £000	2022 £000
Share of profit from subsidiary LLP's	344	461
Revaluation of subsidiary companies	87	362
	<u>431</u>	<u>823</u>

PRICE BAILEY LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. INFORMATION IN RELATION TO INDIVIDUAL MEMBERS

	2023 No.	2022 No.
The average number of individual members during the year was	26	26
	<u>2022</u> £	<u>2021</u> £
The average individual members remuneration during the year was	177,170	207,680
	<u>289,263</u>	<u>330,218</u>
The amount of profit attributable to the individual member with the largest entitlement was		

11. INCOME FROM INVESTMENTS

	2023 £000	2022 £000
Dividends received from unlisted investments	50	35
The dividends receivable accrue to the trustees of the firm's employee share ownership scheme on their holding of Price Bailey Group Limited shares for the ultimate benefit of employees.		

12. INTEREST PAYABLE AND EXPENSES

	2023 £000	2022 £000
Bank interest payable	4	8

PRICE BAILEY LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. INTANGIBLE ASSETS

	Client lists £000	Goodwill £000	Total £000
COST			
At 1 April 2022	196	1,258	1,454
At 31 March 2023	196	1,258	1,454
AMORTISATION			
At 1 April 2022	88	1,258	1,346
Charge for the year on owned assets	14	-	14
At 31 March 2023	102	1,258	1,360
NET BOOK VALUE			
At 31 March 2023	94	-	94
At 31 March 2022	108	-	108

PRICE BAILEY LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. TANGIBLE FIXED ASSETS

	Short term leasehold property £000	Fixtures & fittings £000	Office equipment £000	Total £000
COST OR VALUATION				
At 1 April 2022	1,570	574	507	2,651
Additions	1	8	-	9
Disposals	-	(5)	(469)	(474)
At 31 March 2023	1,571	577	38	2,186
DEPRECIATION				
At 1 April 2022	910	422	499	1,831
Charge for the year on owned assets	88	22	3	113
Disposals	-	(2)	(469)	(471)
At 31 March 2023	998	442	33	1,473
NET BOOK VALUE				
At 31 March 2023	573	135	5	713
At 31 March 2022	660	152	8	820

PRICE BAILEY LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Investments in subsidiary LLP's £000	Total £000
COST			
At 1 April 2022	1,400	173	1,573
At 31 March 2023	1,400	173	1,573
REVALUATION			
At 1 April 2022	1,794	461	2,255
Impairment against revaluations	-	(461)	(461)
Revaluations	87	-	87
At 31 March 2023	1,881	-	1,881
NET BOOK VALUE			
At 31 March 2023	3,281	173	3,454
At 31 March 2022	3,194	634	3,828

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the LLP:

Name	Registered office	Principal activity	Class of shares	Holding
Price Bailey Private Client LLP	Causeway House, 1 Dane Street, Bishop's Stortford CM23 3BT	Accounts and tax advisors	(effective)	100%
Price Bailey London Limited	Causeway House, 1 Dane Street, Bishop's Stortford CM23 3BT	Portfolio holding company	Ordinary	100%
Price Bailey Corporate Holdings No2 Limited	Causeway House, 1 Dane Street, Bishop's Stortford CM23 3BT	intermediate holding company	Ordinary	100%
Price Bailey Mayfair LLP	Causeway House, 1 Dane Street, Bishop's Stortford CM23 3BT	Chartered accountants	(effective)	100%
Price Bailey Share Ownership Trust	Causeway House, 1 Dane Street, Bishop's Stortford CM23 3BT	Provision of employee benefits	Ordinary	100%

PRICE BAILEY LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS (CONTINUED)

The aggregate of the share capital and reserves as at 31 March 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Price Bailey Private Client LLP	374	133
Price Bailey London Limited	87	87
Price Bailey Corporate Holdings No2 Limited	1,400	-
Price Bailey Mayfair LLP	78	119

16. DEBTORS

	2023 £000	2022 £000
Trade debtors	11,688	9,194
Amounts owed by group undertakings	36	51
Other debtors	356	286
Prepayments and accrued income	1,662	1,391
Amounts recoverable on long term contracts	1,390	1,298
Amounts due from members	-	574
	<u>15,132</u>	<u>12,794</u>

Trade debtors includes £6,205,000 (2022: £4,135,000) relating to amounts due from a particular portfolio of clients, against which there is a special specific provision of £2,786,000 (2022: £1,920,000) as explained in note 6.

17. CASH

	2023 £000	2022 £000
Cash at bank and in hand	487	491
Loans and overdrafts	-	(462)
	<u>487</u>	<u>29</u>

PRICE BAILEY LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £000	2022 £000
Bank overdrafts	-	462
Trade creditors	883	600
Amounts owed to group undertakings	3,271	2,482
Other taxation and social security	2,863	2,520
Other creditors	686	136
Accruals and deferred income	819	1,199
	<u>8,522</u>	<u>7,399</u>

The LLP is party to a group cross guarantee in favour of HSBC UK which is secured by a debenture and fixed charges on the company's assets. At 31 March 2023 the total amount owed to HSBC UK secured against the LLP's assets was approximately £2.3m (2022: £1.4m).

19. PROVISIONS

	PI Provision £000	Property £000	Total £000
At 1 April 2022	167	507	674
Charged to profit or loss	65	67	132
Utilised in year	(98)	(3)	(101)
AT 31 MARCH 2023	<u>134</u>	<u>571</u>	<u>705</u>

20. LOANS AND OTHER DEBTS DUE TO MEMBERS

All the amounts reflected in loans and other debts due to members relate to allocated profits. There are no loans or other amounts payable to members.

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up. Members' equity interests (members' shares and other reserves) would rank behind unsecured creditors in any winding up.

PRICE BAILEY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

21. PENSION COMMITMENTS

The Price Bailey Group Personal Pension plan is a defined contribution scheme and the charge for the year represents those contributions payable to the scheme in respect of the accounting period. The charge includes contributions made under the group's 'salary exchange' scheme. The scheme enables employees to exchange what would otherwise be basic pay for enhanced employer contributions.

All employees are 'auto enrolled', with benefits at or exceeding statutory requirements.

The group's plan is administered by Royal London and the contributions have been invested in a range of pooled funds administered by that life company. On retirement the value of each fund member's account can be used to purchase a pension annuity from an insurance company. The amount of the pension will be determined at the time when the annuity is purchased and will depend of the investment returns achieved, the type of annuity selected and the insurance company's annuity rates applying at that time.

22. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2023 the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £000	2022 £000
Not later than 1 year	902	1,044
Later than 1 year and not later than 5 years	2,471	2,003
Later than 5 years	3,422	1,206
	<u>6,795</u>	<u>4,253</u>

Land and building leases include certain properties in respect of which provision has been made in accordance with the policy set out in note 2.

23. RELATED PARTY TRANSACTIONS

The LLP has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies.

24. CONTROLLING PARTY

The LLP's immediate and ultimate parent undertaking is Price Bailey Group Ltd, which will make its consolidated accounts available to the public from the registered office: Causeway House, 1 Dane Street, Bishops Stortford, Herts, CM23 3BT.