

**BDO REGULATORY SOLUTIONS
LIMITED**

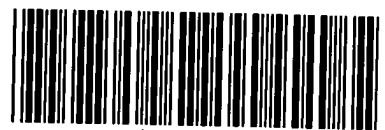
Directors' Report and Financial Statements

Period Ended

30 June 2023

Company Number 13627320

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BDO REGULATORY SOLUTIONS LIMITED

Company Information

Directors	Andrew Butterworth Stuart Charles Collins Neil Anthony Robert Fung-On Simon Patrick Gallagher Ross Pedra Swan John Turner
Registered number	13627320
Registered office	55 Baker Street London W1U 7EU
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Company type	Private company limited by shares

BDO REGULATORY SOLUTIONS LIMITED

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BDO REGULATORY SOLUTIONS LIMITED

Directors' Report For the Period Ended 30 June 2023

The directors present their report and the financial statements for the period ended 30 June 2023.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Principal activity

The principal activity of BDO Regulatory Solutions Limited ("the Company") is to provide professional services to its clients.

During its second period of trading, the Company has continued to secure key contracts in the financial services industry and is building up a diverse client base. This is contributing to a healthy pipeline for future growth with new and existing clients. We have increased headcount in key positions to deliver our ambitions for the future.

Business review

During the period, the Company made a loss of £397,600, (2022: loss of £606,900). As a result, the directors do not propose the payment of a dividend.

Directors

The directors who served during the period were:

Andrew Butterworth
Stuart Charles Collins
Neil Anthony Robert Fung-On
Simon Patrick Gallagher
Ross Pedra Swan
John Turner

BDO REGULATORY SOLUTIONS LIMITED

Directors' Report (continued) For the Period Ended 30 June 2023

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force.

Directors' and officers' liability insurance is provided by the ultimate parent undertaking, BDO LLP, for the Company and its directors.

Financial risk management

The Company is a member of the BDO LLP Group ("the Group") and accordingly shares its exposure to a variety of financial risks that include the effects of credit risk, liquidity risk, interest rate and cash flow risk and foreign currency risk. The Company's financial risk is managed at the Group level. The Group has in place a risk management programme that seeks to limit the adverse effects on its financial performance by monitoring levels of debt finance and any related finance costs. The board of directors has responsibility for monitoring this programme and its policies are implemented by the finance director.

- Credit risk: new clients and audited entities of the Group (including BDO Regulatory Solutions) are only accepted after they have satisfied appropriate due diligence procedures operated by BDO LLP;
- Liquidity risk: the Company is financed with an appropriate rolling credit facility arrangement with its majority shareholder BDO Services Limited which matches the needs of the business;
- Interest rate and cash flow risk: the Company is exposed to movements in the underlying SONIA rate; however, a reasonable movement in SONIA does not have a material impact on the results of the Company. Accordingly, it does not use derivative financial instruments and as such no hedge accounting is applied;
- Foreign currency risk: transactions are mainly undertaken in pounds sterling; therefore, the Company is not exposed to material foreign currency risk. Whenever possible, the Group seeks to match its foreign currency assets, liabilities, cash inflows and outflows in the same currency. The Group's policy is not to enter into forward or derivative contracts.

Disclosure of information to auditors

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

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

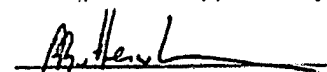
Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 17 October 2023 and signed on its behalf.



Andrew Butterworth
Director

BDO REGULATORY SOLUTIONS LIMITED

Independent Auditor's report to the Members of BDO REGULATORY SOLUTIONS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, BDO Regulatory Solutions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 30 June 2023; the statement of comprehensive income and the statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether

BDO REGULATORY SOLUTIONS LIMITED

Independent Auditor's report to the Members of BDO REGULATORY SOLUTIONS LIMITED (continued)

there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the period ended 30 June 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 auditors' 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting judgements and estimates. Audit procedures performed by the engagement team included:

- testing a sample of journals that meet our risk of fraud criteria;
- reviewing board minutes to ensure that the matters discussed are consistent with our understanding and other audit evidence obtained;

BDO REGULATORY SOLUTIONS LIMITED

Independent Auditor's report to the Members of BDO REGULATORY SOLUTIONS LIMITED (continued)

- challenging assumptions and judgements made by management in respect of accounting estimates;
- enquiring of management, those charged with governance and legal counsel around actual and potential fraud and non-compliance with laws and regulations; and
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



John Ellis (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 October 2023

BDO REGULATORY SOLUTIONS LIMITED

Statement of Comprehensive Income For the Period Ended 30 June 2023

	Note	52 weeks ended 30 June 2023 £000	289 days ended 1 July 2022 £000
Turnover	4	7,691.6	2,209.1
Administrative expenses		(225.1)	(125.8)
Other operating income		173.6	242.4
Other operating charges		(8,110.6)	(3,068.9)
Operating loss		(470.5)	(743.2)
Interest receivable and similar income		1.9	-
Interest payable and similar expenses		(60.1)	(6.1)
Loss before tax		(528.7)	(749.3)
Tax on loss	8	131.1	142.4
Loss for the financial period		(397.6)	(606.9)

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

The notes on pages 9 to 17 form part of these financial statements.

BDO REGULATORY SOLUTIONS LIMITED

Registered number:13627320

Statement of Financial Position As at 30 June 2023

	Note	30 June 2023 £000	1 July 2022 £000
Non current assets			
Debtors due after one year	9	105.5	-
		<u>105.5</u>	<u>-</u>
Current assets			
Debtors due within one year	9	1,245.0	461.3
Cash and cash equivalents	10	329.0	180.0
		<u>1,574.0</u>	<u>641.3</u>
Creditors due within one year	11	(1,133.0)	(647.2)
Net current assets/(liabilities)		<u>441.0</u>	<u>(5.9)</u>
Creditors due after more than one year	12	(1,550.0)	(600.0)
Net liabilities		<u>(1,003.5)</u>	<u>(605.9)</u>
Capital and reserves			
Called up share capital	15	1.0	1.0
Profit and loss account		(1,004.5)	(606.9)
Total capital and reserves		<u>(1,003.5)</u>	<u>(605.9)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 October 2023.



John Turner
Director

The notes on pages 9 to 17 form part of these financial statements.

BDO REGULATORY SOLUTIONS LIMITED

Statement of Changes in Equity For the Period Ended 30 June 2023

	Called up share capital £000	Profit and loss account £000	Total equity £000
Loss for the period	-	(606.9)	(606.9)
Shares issued during the period	1.0	-	1.0
At 1 July 2022	1.0	(606.9)	(605.9)
Loss for the period	-	(397.6)	(397.6)
At 30 June 2023	1.0	(1,004.5)	(1,003.5)

The notes on pages 9 to 17 form part of these financial statements.

BDO REGULATORY SOLUTIONS LIMITED

Notes to the Financial Statements For the Period Ended 30 June 2023

1. General information

BDO Regulatory Solutions Limited is a private UK limited company incorporated and registered in England and Wales under number 13627320. The registered office is 55 Baker Street, London, W1U 7EU. The company is limited by shares.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of BDO LLP as at 30 June 2023 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

2.3 Going concern

The board have carefully reviewed current results and prepared detailed trading and cash flow forecasts as well as considering available cash facilities and other sources of finance. The board is confident the Company will maintain adequate resources to allow settlement of all liabilities as they fall due for the foreseeable future. Additionally, given the net current liabilities position of the Company, a letter of support from the ultimate majority shareholder, BDO LLP, is currently in place. This assures financial support for a minimum period of no less than 12 months from the date of signing these accounts, if deemed necessary. Therefore, the going concern basis has been adopted in preparing the financial statements.

BDO REGULATORY SOLUTIONS LIMITED

Notes to the Financial Statements For the Period Ended 30 June 2023

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised when services are transferred to the client at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Revenues are recognised through applying the IFRS 15 input method where contracts give the Company the right to receive payment for work performed to date.

Performance obligations are assessed for each contract and the transaction price is spread over the performance obligation. Progress towards complete satisfaction of the performance obligations is measured using time and costs incurred as a proportion of total estimated time and costs but excluding Value Added Tax.

Contingent revenue is constrained in estimating contract revenue, in order that it is highly probable that there will not be a future reversal in the amount of revenue recognised when the associated uncertainty with the variable consideration is subsequently resolved. Unbilled revenue on individual client assignments is included as contract assets within trade and other receivables. Where individual on-account billings exceed revenue on client assignments, the excess is classified as contract liability within trade and other payables. Performance obligations are generally satisfied within a year of such billing.

2.5 Interest income

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

2.6 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.

2.7 Current and deferred taxation

The tax expense for the period 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

BDO REGULATORY SOLUTIONS LIMITED

Notes to the Financial Statements For the Period Ended 30 June 2023

2. Accounting policies (continued)

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 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.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

BDO REGULATORY SOLUTIONS LIMITED

Notes to the Financial Statements For the Period Ended 30 June 2023

2. Accounting policies (continued)

2.11 Financial instruments (continued)

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements.

A critical accounting estimate that could have significant effect upon the Company's financial results relates to the valuation of contract assets. Specifically, the estimation of the billable value of the contract asset. A 10% movement in contract assets would result in a change of £13.1k in revenue and contract assets.

There are no critical judgements to note, but judgement is exercised when calculating the impairment assessment of trade receivables.

4. Turnover

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

	52 weeks ended 30 June 2023 £000	289 days ended 1 July 2022 £000
Professional and business services	7,691.6	2,209.1

Turnover arose mainly within the United Kingdom.

BDO REGULATORY SOLUTIONS LIMITED

Notes to the Financial Statements For the Period Ended 30 June 2023

5. Auditors' remuneration

During the period, the Company obtained the following services from the Company's auditors:

	52 weeks ended 30 June 2023 £000	289 days ended 1 July 2022 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements	10.0	-

During the prior period, the audit fee of £5,000 was borne by the ultimate parent undertaking, BDO LLP.

6. Employees

	52 weeks ended 30 June 2023 £000	289 days ended 1 July 2022 £000
Wages and salaries	150.0	111.9
Social security costs	17.9	13.9
	167.9	125.8

The Company has no employees other than the directors. The above represents the total remuneration to the only director who receives remuneration from the Company.

7. Interest payable and similar expenses

	52 weeks ended 30 June 2023 £000	289 days ended 1 July 2022 £000
Loans from group undertakings	60.1	6.1
	60.1	6.1

BDO REGULATORY SOLUTIONS LIMITED

Notes to the Financial Statements For the Period Ended 30 June 2023

8. Taxation

	52 weeks ended 30 June 2023 £000	289 days ended 1 July 2022 £000
Corporation tax		
Current tax on profits for the year	(25.6)	(142.4)
Deferred tax		
Origination and reversal of timing differences	(105.5)	-
Tax on loss	(131.1)	(142.4)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2022 - the same as) the standard rate of corporation tax in the UK of 20.5% (2022 - 19.0%). The differences are explained below:

	52 weeks ended 30 June 2023 £000	289 days ended 1 July 2022 £000
Loss on ordinary activities before tax	(528.7)	(749.3)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022 - 19.0%)	(108.4)	(142.4)
Effects of:		
Adjustments to tax charge in respect of prior periods	46.9	-
Short-term timing difference leading to an increase (decrease) in taxation	(61.8)	-
Other timing differences leading to an increase (decrease) in taxation	(7.8)	-
Total tax charge/(credit) for the period	(131.1)	(142.4)

BDO REGULATORY SOLUTIONS LIMITED

Notes to the Financial Statements For the Period Ended 30 June 2023

9. Debtors

	30 June 2023 £000	1 July 2022 £000
Due after more than one year		
Deferred tax asset	105.5	-
	105.5	-
	105.5	-
	30 June 2023 £000	1 July 2022 £000
Due within one year		
Trade debtors	1,026.3	189.4
Amounts owed by group undertakings	-	143.4
Other debtors	81.1	-
Prepayments and accrued income	6.2	-
Contract assets	131.4	128.5
	1,245.0	461.3
	1,245.0	461.3

10. Cash and cash equivalents

	30 June 2023 £000	1 July 2022 £000
Cash at bank and in hand	329.0	180.0
	329.0	180.0

11. Creditors due within one year

	30 June 2023 £000	1 July 2022 £000
Trade creditors	421.9	47.9
Amounts owed to group undertakings	137.7	545.3
Corporation tax	74.8	-
Other taxation and social security	89.7	54.0
Accruals and deferred income	408.9	-
	1,133.0	647.2
	1,133.0	647.2

BDO REGULATORY SOLUTIONS LIMITED

Notes to the Financial Statements For the Period Ended 30 June 2023

12. Creditors due after more than one year

	30 June 2023 £000	1 July 2022 £000
Amounts owed to related parties	<u>1,550.0</u>	<u>600.0</u>

The amounts owed to related parties comprises an RCF agreement with both BDO Services Limited and John Turner (see note 17). The Company has the contractual right to defer repayment beyond 12 months from the balance sheet date. Interest is payable based on an arms length transaction basis. The interest rate is linked to SONIA.

13. Financial instruments

	30 June 2023 £000	1 July 2022 £000
Financial assets		
Financial assets held at amortised cost	<u>1,567.8</u>	<u>641.3</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>2,608.2</u>	<u>1,247.2</u>

Financial assets held at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors, contract assets, and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, accruals, and loans and borrowings.

14. Deferred taxation

	2023 £000
Credited to profit or loss	105.5
At end of year	<u>105.5</u>

The deferred tax asset is made up as follows:

	30 June 2023 £000	1 July 2022 £000
Tax losses carried forward	<u>105.5</u>	<u>-</u>

BDO REGULATORY SOLUTIONS LIMITED

Notes to the Financial Statements For the Period Ended 30 June 2023

15. Share capital

	30 June 2023 £000	1 July 2022 £000
Allotted		
1,000 (2022 - 1,000) Ordinary shares shares of £1.00 each	<u>1</u>	<u>1</u>

16. Post balance sheet events

There were no adjusting or non-adjusting events after the reporting period.

17. Controlling party

The company is a 67% owned subsidiary of BDO Services Limited which is the immediate parent company incorporated in the UK. The registered office of BDO Services Limited is 55 Baker Street, London, W1U 7EU. The residual 33% is owned by John Turner.

The ultimate parent undertaking is BDO LLP, a limited liability partnership incorporated in the UK and registered in England at 55 Baker Street, London, W1U 7EU. Consolidated financial statements are only prepared in respect of BDO LLP which is the parent undertaking of the largest and smallest group of undertakings. Copies of the financial statements of BDO LLP are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.