

BAKER TILLY INTERNATIONAL LIMITED
(A company limited by guarantee)

UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



BAKER TILLY INTERNATIONAL LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 04343879

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Fixed assets			
Intangible assets	4	885,872	635,755
Tangible assets	5	33,670	55,454
		<u>919,542</u>	<u>691,209</u>
Current assets			
Debtors: amounts falling due after more than one year	6	54,025	54,025
Debtors: amounts falling due within one year	6	1,860,407	1,799,657
Cash at bank and in hand	7	3,750,070	3,457,102
		<u>5,664,502</u>	<u>5,310,784</u>
Creditors: amounts falling due within one year	8	(1,190,397)	(1,210,812)
Net current assets		<u>4,474,105</u>	<u>4,099,972</u>
Total assets less current liabilities		<u>5,393,647</u>	<u>4,791,181</u>
Net assets		<u><u>5,393,647</u></u>	<u><u>4,791,181</u></u>
Capital and reserves			
Profit and loss account		<u>5,393,647</u>	<u>4,791,181</u>
		<u><u>5,393,647</u></u>	<u><u>4,791,181</u></u>

BAKER TILLY INTERNATIONAL LIMITED
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BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

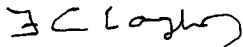
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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



F C Lagerberg
Director

Date: 31 August 2023

BAKER TILLY INTERNATIONAL LIMITED
(A company limited by guarantee)

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

1. General information

Baker Tilly International Limited is a private company, limited by guarantee, domiciled in England and Wales, registration number 04343879. The registered office and principal place of business is 2 London Wall Place, London, England, EC2Y 5AU.

The financial statements are presented in USD, which is also the functional currency of the Company. The figures presented in the financial statements have been rounded to the nearest \$1.

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 Section 1A of 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 management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

Based on a review of cash flow forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future therefore the financial statements have been prepared on a going concern basis.

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

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company 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.

2.5 Interest income

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

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.6 Taxation

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 operates and generates 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; 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 balance sheet date.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

Trade licenses are amortised on a straight line basis over their estimated useful life of 10 years.

Computer software is amortised on a straight line basis over its estimated useful life of 3 years.

2.8 Tangible fixed assets

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

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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	-	33% per annum
Computer equipment	-	33% per annum

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.

2.9 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.

2.10 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.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.12 Financial instruments (continued)

case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

The average monthly number of employees, including directors, during the year was 32 (2021 - 31).

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4. Intangible assets

	Trade licences \$	Computer software \$	Total \$
Cost			
At 1 January 2022	782,249	618,746	1,400,995
Additions	-	433,573	433,573
At 31 December 2022	<u>782,249</u>	<u>1,052,319</u>	<u>1,834,568</u>
Amortisation			
At 1 January 2022	352,094	413,146	765,240
Charge for the year	78,244	105,212	183,456
At 31 December 2022	<u>430,338</u>	<u>518,358</u>	<u>948,696</u>
Net book value			
At 31 December 2022	<u>351,911</u>	<u>533,961</u>	<u>885,872</u>
At 31 December 2021	<u>430,155</u>	<u>205,600</u>	<u>635,755</u>

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5. Tangible fixed assets

	Fixtures and fittings \$	Computer equipment \$	Total \$
Cost			
At 1 January 2022	117,366	128,089	245,455
Additions	3,716	16,092	19,808
At 31 December 2022	<u>121,082</u>	<u>144,181</u>	<u>265,263</u>
Depreciation			
At 1 January 2022	96,387	93,614	190,001
Charge for the year	22,477	19,115	41,592
At 31 December 2022	<u>118,864</u>	<u>112,729</u>	<u>231,593</u>
Net book value			
At 31 December 2022	<u>2,218</u>	<u>31,452</u>	<u>33,670</u>
At 31 December 2021	<u>20,979</u>	<u>34,475</u>	<u>55,454</u>

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6. Debtors

	2022 \$	2021 \$
Due after more than one year		
Other debtors	54,025	54,025
	<u>54,025</u>	<u>54,025</u>

	2022 \$	2021 \$
Due within one year		
Trade debtors	438,728	535,123
Other debtors	186,534	187,301
Prepayments and accrued income	1,192,603	1,077,233
Financial instruments	42,542	-
	<u>1,860,407</u>	<u>1,799,657</u>

7. Cash and cash equivalents

	2022 \$	2021 \$
Bank current accounts	3,413,550	3,457,102
Restricted cash - emergency relief fund	336,520	-
	<u>3,750,070</u>	<u>3,457,102</u>

Emergency Relief Fund

During the year, Baker Tilly International Limited set up an Emergency Relief Fund to support its network member firms and their people during times of unexpected crisis.

The network member firms and Baker Tilly International Limited provided a total of \$496,227 in the year into an earmarked 'Emergency Fund', held in a separate Emergency Fund bank account, which was subject to restrictions on its use. During 2022, a total of \$159,172 was spent from the fund to support its member firms and people, leaving a net contribution of \$337,055 recognised as other comprehensive income.

The balance of \$336,520 retained in the fund (net of bank charges) at 31 December 2022 is included in restricted cash. In line with the purpose of the fund, these funds will continue to be used for relevant expenditure in 2023.

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8. Creditors: Amounts falling due within one year

	2022	2021
	\$	\$
Trade creditors	249,746	463,629
Corporation tax	377	50
Other taxation and social security	174,678	103,311
Other creditors	2,227	826
Accruals and deferred income	763,369	603,749
Financial instruments	-	39,247
	<u>1,190,397</u>	<u>1,210,812</u>

9. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

10. Guarantees and other financial commitments

At the balance sheet date the company had total commitments of \$777,483 (2021: \$278,559). This is entirely made up of operating lease commitments.

11. Related party transactions

Included within other debtors is an interest free loan in the sum of \$134,000 (2021: \$134,000) provided to CCBP Limited, a company ultimately controlled by the same key management personnel. The loan is unsecured, interest free and repayable on demand.