
TETRA CONSULTING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

TETRA CONSULTING LIMITED

COMPANY INFORMATION

Directors	P L Moore P I Sadlier (appointed 1 August 2022)
Registered number	03557123
Registered office	Ground Floor, 8 Bloomsbury Street 52-54 Oxford Street London WC1B 3QD
Independent auditors	BKL Audit LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW
Bankers	Lloyds Bank PLC 25 Gresham Street London England EC2V 7HN

TETRA CONSULTING LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 8
Statement of income and retained earnings	9
Statement of financial position	10
Notes to the financial statements	11 - 25

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2023**

Introduction

The Directors present their Strategic Report on the Company for the year ended 31 May 2023.

Business review

The Company's principal activities are the provision of property risk management services. There have not been any significant changes in the principal activities in the year under review. The Directors are not considering making major changes in the activities of the company in the next year.

Company turnover has grown over the year by 16% with an increase across the consulting services of 26%. Headcount has risen significantly by 30% during the year. The Directors accept that EBITDA is below expectation for the year primarily due to this increase in staff numbers and ongoing development of Risk Management Software - PRISM. We are confident EBITDA will rise significantly for the year 23/24.

Principal risks and uncertainties

Competition

Competitive pressures exist in all markets where Tetra serves its clients, which could result in losing sales to key competitors. The Company manages this by developing strong relationships with clients and providing market-leading services including PRISM.

Foreign exchange

The company has limited exposure to foreign exchange due to the predominantly UK client base.

Financial risk management objectives and policies

The principal financial assets of the company are bank balances, cash and trade receivables. The Company has no third party debt and therefore has no interest rate exposure.

The Company's credit risk is primarily attributed to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Company has no significant concentration of credit risk, with exposure spread over a number of clients.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023**

Financial and other key performance indicators

The Board monitors the activities and performance of the company on a regular basis. The Board uses both financial and non-financial indicators based on budget versus actual and prior years to assess the performance of the Company. The key financial indicators including revenue growth and net assets were used during the year to 31 May 2023 and will continue to be used by the Board to assess performance over the year to 31 May 2024.

Clients

Client satisfaction and loyalty are crucial factors to determine our financial performance and we continually look to improve this. We work closely with our client base to ensure that our services are delivered to our best ability. Client feedback, including surveys, allows us to measure satisfaction and aid product development. Key external Quality Assurance Accreditations help to underline our credentials.

Employees

A major contributor to the continued success of the company is our employees and a long tenure is encouraged through a focus on employee development. Annual appraisal and objective setting along with career development ensure alignment with the business aims and contribute to personal as well as company success. Appropriate incentives schemes are in place which rewards individuals for the achievement of short and long-term targets which encourages a long-term view of their career at Tetra.

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

P L Moore

Director

Date: 22 February 2024

TETRA CONSULTING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2023

The directors present their report and the financial statements for the year ended 31 May 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 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 the company is acting as health and safety consultants including the sale of safety equipment.

Results and dividends

The profit for the year, after taxation, amounted to £880,555 (2022 - £620,388).

Ordinary dividends payable in 2023 to qualifying shareholders totalled £ 670,000 (2022: £545,000).

Directors

The directors who served during the year were:

P L Moore
P I Sadlier (appointed 1 August 2022)

Future developments

The company has no particular plans to enter new service types. We will be continuing our penetration into the market sector and will be looking to increase our turnover in line with our recent growth rates.

TETRA CONSULTING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023**

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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

P L Moore

Director

Date: 22 February 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TETRA CONSULTING LIMITED

Opinion

We have audited the financial statements of Tetra Consulting Limited (the 'Company') for the year ended 31 May 2023, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TETRA CONSULTING LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TETRA CONSULTING LIMITED (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 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:

- Enquiring of management and those charged with governance around actual and potential litigation and

claims;

- Enquiring of entity staff in finance and compliance functions to identify any instances of non-compliance with

laws and regulations;

- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance

with applicable laws and regulations;

- Performing audit work over the risks of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TETRA CONSULTING LIMITED (CONTINUED)

future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Nick Bishop FCA (Senior statutory auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants

Statutory Auditor

London

22 February 2024

TETRA CONSULTING LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MAY 2023**

	Note	2023 £	2022 £
Turnover	4	13,777,430	11,874,352
Cost of sales		(7,634,462)	(7,134,782)
Gross profit		6,142,968	4,739,570
Administrative expenses		(5,045,513)	(3,970,056)
Operating profit	5	1,097,455	769,514
Interest receivable and similar income		128	1,877
Interest payable and similar expenses		(679)	-
Profit before tax		1,096,904	771,391
Tax on profit	9	(216,349)	(151,003)
Profit after tax		880,555	620,388
Retained earnings at the beginning of the year		1,030,075	954,687
		1,030,075	954,687
Profit for the year		880,555	620,388
Dividends declared and paid	10	(670,000)	(545,000)
Retained earnings at the end of the year		1,240,630	1,030,075

The notes on pages 11 to 25 form part of these financial statements.

TETRA CONSULTING LIMITED
REGISTERED NUMBER: 03557123

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	155,681	86,818
		<u>155,681</u>	<u>86,818</u>
Current assets			
Stocks	13	54,959	76,200
Debtors	14	3,348,798	3,354,853
Cash at bank and in hand		376,147	263,709
		<u>3,779,904</u>	<u>3,694,762</u>
Creditors: amounts falling due within one year	15	(2,688,264)	(2,746,705)
Net current assets		<u>1,091,640</u>	<u>948,057</u>
Total assets less current liabilities		<u>1,247,321</u>	<u>1,034,875</u>
Provisions for liabilities			
Deferred tax		(1,891)	-
	16	<u>(1,891)</u>	<u>-</u>
Net assets		<u><u>1,245,430</u></u>	<u><u>1,034,875</u></u>
Capital and reserves			
Called up share capital	17	4,800	4,800
Profit and loss account		1,240,630	1,030,075
		<u>1,245,430</u>	<u>1,034,875</u>

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

P L Moore
Director

Date: 22 February 2024

The notes on pages 11 to 25 form part of these financial statements.

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

1. General information

The principal activity of Tetra Consulting Ltd ("the Company") is acting as health and safety consultants including the sale of safety equipment.

The Company is a private company, limited by shares, and is incorporated in England and Wales.

The registered office address is Ground Floor, 8 Bloomsbury Street 52-54 Oxford Street, London, United Kingdom, WC1B 3QD.

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 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 (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue to trade for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements, and will be able to meet its debts as they fall due.

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

2. Accounting policies (continued)

2.3 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

2.4 Operating leases: the Company as lessee

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

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 June 2021 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 Interest income

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

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

2. Accounting policies (continued)

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 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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

2. Accounting policies (continued)

2.9 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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.

2.10 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.

2.11 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.

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

2. Accounting policies (continued)

2.11 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 and reducing balance methods..

Depreciation is provided on the following basis:

Long-term leasehold property	-	over the period of the lease
Motor vehicles	- 20%	straight line
Office equipment	- 25%	reducing balance
Other fixed assets	-	over 3 years

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

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

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 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.

2.14 Financial instruments

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans to related parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference

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

2. Accounting policies (continued)

2.14 Financial instruments (continued)

between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

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

2.15 Dividends

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

TETRA CONSULTING LIMITED

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no judgements, key accounting estimates and assumptions that have been made in the process of applying the above accounting policies.

4. Turnover

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

	2023 £	2022 £
Consultancy fees	11,688,320	9,219,962
Kit sales	2,089,110	2,654,390
	<u>13,777,430</u>	<u>11,874,352</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation	31,410	20,105
Other operating lease rentals	<u>226,176</u>	<u>199,691</u>

6. Auditors' remuneration

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

	2023 £	2022 £
Fees payable to the Company's auditors in respect of:		
The auditing of accounts	16,500	-
Taxation compliance services	<u>2,000</u>	<u>-</u>

TETRA CONSULTING LIMITED

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

7. Employees

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

	2023	<i>2022</i>
	£	<i>£</i>
Wages and salaries	5,739,907	<i>4,319,650</i>
Social security costs	685,730	<i>513,988</i>
Cost of defined contribution scheme	202,109	<i>157,593</i>
	<u>6,627,746</u>	<i><u>4,991,231</u></i>

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

	2023	<i>2022</i>
	No.	<i>No.</i>
Employees	<u>117</u>	<i><u>86</u></i>

8. Directors' remuneration

	2023	<i>2022</i>
	£	<i>£</i>
Directors' emoluments	173,526	<i>84,000</i>
	<u>173,526</u>	<i><u>84,000</u></i>

TETRA CONSULTING LIMITED

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

9. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	214,458	155,204
	<u>214,458</u>	<u>155,204</u>
	<u>214,458</u>	<u>155,204</u>
Total current tax	<u>214,458</u>	<u>155,204</u>
Deferred tax		
Origination and reversal of timing differences	1,891	(4,201)
	<u>1,891</u>	<u>(4,201)</u>
Total deferred tax	<u>1,891</u>	<u>(4,201)</u>
Tax on profit	<u>216,349</u>	<u>151,003</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 20% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>1,096,905</u>	<u>771,391</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2022 - 19%)	219,411	146,564
Effects of:		
Expenses not deductible for tax purposes	4,512	3,425
Fixed asset differences	(4,711)	-
Adjustments to tax charge in respect of previous periods - deferred tax	205	-
Remeasurement of deferred tax for changes in tax rates	910	(1,647)
Movement in deferred tax not recognised	(3,978)	2,661
	<u>216,349</u>	<u>151,003</u>
Total tax charge for the year	<u>216,349</u>	<u>151,003</u>

Factors that may affect future tax charges

TETRA CONSULTING LIMITED

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

9. Taxation (continued)

The UK Government announced its intention to increase the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. The increase in the rate of UK corporation tax was enacted in the Finance Act 2022, which received Royal Assent on 10 June 2021.

10. Dividends

	2023 £	2022 £
Dividends paid	670,000	545,000
	670,000	545,000

11. Intangible assets

	Development expenditure £	Total £
Cost		
At 1 June 2022	561,549	561,549
At 31 May 2023	561,549	561,549
Amortisation		
At 1 June 2022	561,549	561,549
At 31 May 2023	561,549	561,549
Net book value		
At 31 May 2023	-	-
At 31 May 2022	-	-

TETRA CONSULTING LIMITED

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

12. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Office equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 June 2022	147,488	28,849	266,396	12,500	455,233
Additions	-	-	103,873	-	103,873
Disposals	-	(23,349)	(83,753)	-	(107,102)
At 31 May 2023	<u>147,488</u>	<u>5,500</u>	<u>286,516</u>	<u>12,500</u>	<u>452,004</u>
Depreciation					
At 1 June 2022	95,599	24,907	235,410	12,500	368,416
Charge for the year on owned assets	9,294	1,100	21,016	-	31,410
Disposals	-	(23,349)	(80,154)	-	(103,503)
At 31 May 2023	<u>104,893</u>	<u>2,658</u>	<u>176,272</u>	<u>12,500</u>	<u>296,323</u>
Net book value					
At 31 May 2023	<u>42,595</u>	<u>2,842</u>	<u>110,244</u>	<u>-</u>	<u>155,681</u>
<i>At 31 May 2022</i>	<u>51,889</u>	<u>3,942</u>	<u>30,987</u>	<u>-</u>	<u>86,818</u>

TETRA CONSULTING LIMITED

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

13. Stocks

	2023	2022
	£	£
Work in progress	54,959	76,200
	54,959	76,200
	54,959	76,200

14. Debtors

	2023	2022
	£	£
Due after more than one year		
Other debtors	63,006	63,007
	63,006	63,007
Due within one year		
Trade debtors	2,902,270	3,083,014
Other debtors	112,697	99,882
Prepayments and accrued income	270,825	108,950
	3,348,798	3,354,853
	3,348,798	3,354,853

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	849,508	1,127,624
Corporation tax	216,076	157,584
Other taxation and social security	745,777	608,920
Other creditors	41,586	51,359
Accruals and deferred income	835,317	801,218
	2,688,264	2,746,705
	2,688,264	2,746,705

TETRA CONSULTING LIMITED

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

16. Deferred taxation

	2023 £
Charged to profit or loss	(1,891)
At end of year	<u><u>(1,891)</u></u>

The deferred taxation balance is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(1,891)	-
	<u><u>(1,891)</u></u>	<u><u>-</u></u>

17. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1 (2022 - 1) Ordinary share of £4,800.00	<u><u>4,800</u></u>	<u><u>4,800</u></u>

18. Reserves

Profit and loss account

The profit and loss account is made up of all prior year profits and losses less dividends paid.

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

19. Share-based payments

During the prior year, the company granted options over 137 Ordinary shares of £1 each to five employees of the company. The options have an exercise price of £1 and are only to be exercised in the event of specific performance targets being met.

	Weighted average exercise price (pence) 2023	Number 2023	Weighted average exercise price (pence) 2022	Number 2022
Outstanding at the beginning of the year	100	685	0	-
Granted during the year	0	-	100	685
Outstanding at the end of the year	0	685	0	685

	2023	2022
Option pricing model used	Black Scholes	<i>Black Scholes</i>
Weighted average share price (pence)	14,370	14,370
Exercise price (pence)	100	100
Weighted average contractual life (days)	3,650	3,650
Expected volatility	37%	37%
Expected dividend growth rate	0%	0%
Risk-free interest rate	1.4%	1.4%

Neither the charge this year, nor the cumulative charge since the share options were granted, are material to the Company so are not recognised in these financial statements.

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £78,306 (2022: £5,000) were payable to the fund at the Statement of Financial Position date and are included in creditors.

TETRA CONSULTING LIMITED

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

21. Commitments under operating leases

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

	2023	<i>2022</i>
	£	<i>£</i>
Not later than 1 year	127,792	<i>17,200</i>
Later than 1 year and not later than 5 years	447,888	<i>45,867</i>
	<u>575,680</u>	<u><i>63,067</i></u>

22. Transactions with directors

Included within other debtors is an amount of £94,882 (2022: £94,882) due to the company from a director. This balance is unsecured and repayable on demand.

23. Related party transactions

The directors are considered key management and their salaries are disclosed in note 8 to the financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.