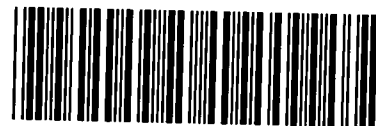


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**STANLEY DAVIS GROUP  
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2017

Company no 02413680

# **STANLEY DAVIS GROUP LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 30 June 2017

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Company registration number: 02413680

Registered office: Lower Ground Floor  
One George Yard  
London  
United Kingdom  
EC3V 9DF

Directors: S Davis (Chairman)  
N Lindsay-Fynn  
A Davis  
D Kaye  
N Dolby  
M Lindsay-Fynn

Secretary: D Kaye

Auditors Armstrong Watson Audit Limited  
Chartered Accountants & Statutory Auditors  
Third Floor  
10 South Parade  
Leeds  
West Yorkshire  
LS1 5QS

# **STANLEY DAVIS GROUP LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 30 June 2017

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<b>INDEX</b>	<b>PAGE</b>
Strategic report	3
Report of the directors	4 – 5
Accounting policies	6 – 8
Consolidated statement of comprehensive income	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated statement of changes in equity	12
Company statement of changes in equity	13
Consolidated statement of cash flows	14
Notes to the financial statements	15 – 28
Independent auditor's report to the members	29 – 31

# STANLEY DAVIS GROUP LIMITED

## STRATEGIC REPORT

For the year ended 30 June 2017

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### Principal activity

The principal activity of the group and the Company is that of Company Registration Agent, Search Agent, Energy Performance Certificate provider, Corporate services provider and Company Secretarial services provider.

### Business review

The property market in the UK remains uncertain following the EU vote last year and this year's general election. In Ireland the economy has been recovering strongly and the group is in an excellent position to take advantage of the upturn in the Irish market.

The acquisition shortly before the year end of the Formations Direct Limited brands in the company formation sector further increases our ability to compete strongly in this market.

The acquisition of Hibernian International Limited in Ireland further strengthened our position as a market leader in that market and also provided two new product lines to expand the offering to our clients.

The investment in Heat Outdoors Limited remains very encouraging and the business is now achieving some significant growth and has recently expanded its warehouse capabilities in order to continue to deliver this growth.

### Principal risks and uncertainties

The major risks facing the group are ongoing changes to the group's key markets, the retaining of quality staff and developing of its potential markets.

The group operates mainly in the UK and Europe in varied markets and manages the risks inherent in its activities. The Company seeks to mitigate exposure to all forms of risk, both external and internal and where practical and cost effective it transfers the risk to insurers.

#### *Global political and economic conditions*

The group has clients in countries around the world and faces risks in every country that it operates within. Whilst this represents a risk in itself, the diverse nature of the group's activities and clients helps mitigate this risk and the effects of any adverse changes.

#### *Foreign exchange*

The group is exposed to both transaction risk (where services are provided in one currency and sold in another) and translation risk (where non UK businesses are translated into differing sterling values depending on the exchange rate at the time). Transaction risks are mitigated by dealing with the same currency (sourcing services in the same currency as the sale) where possible. Translation risk remains a risk and is accepted as part of the decision to operate in foreign countries but is mitigated by retuning earnings to the UK when it is advantageous to do so.

#### *Credit*

The group is exposed to credit risk in relation to its customers, banks and insurers. Credit control procedures take into account the identified risks relating to its customers. Where appropriate, the group insures business risks with insurers of good standing.

### Key performance indicators

The directors have identified turnover, profit before tax and net cash flows from operating activities as the major KPI's of the Group.

Turnover for the year was £10,125,441 (2016: £9,254,024) an increase of 9% on the prior year.

Profit before tax for the year was £545,665 (2016: £1,692,944) a decrease of 67% on last year.

Net cash flows from operating activities were down 24% to £1,058,603 (2016: £1,401,120).

ON BEHALF OF THE BOARD



Andrew Davis  
Director

28 November 2017

# **STANLEY DAVIS GROUP LIMITED**

## **REPORT OF THE DIRECTORS**

For the year ended 30 June 2017

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The directors present their report together with the audited financial statements for the year ended 30 June 2017.

### **Strategic Report**

The Company is required to prepare a fair review of the business of the Group during the financial year ended 30 June 2017 and of the position of the Group at the end of the financial period and a description of the principal risks and uncertainties facing the Group (known as a 'strategic report'). Information is not shown in the directors' report because it is shown in the strategic report instead under s414c (11). Information shown is the business review and principal risks and uncertainties and key performance indicators.

### **Results and Dividends**

The group made a consolidated profit for the year after taxation amounting to £438,815 (2016: £1,368,564). The directors did not pay an interim dividend this year and do not recommend the payment of a final dividend (2016: £3,800,616).

### **Directors**

The directors who served during the year are set out below.

Stanley Davis  
Nigel Lindsay-Fynn  
Andrew Davis  
Neil Dolby  
David Kaye  
Miranda Lindsay-Fynn

### **Directors' responsibilities for the financial statements**

The director is responsible for preparing the Group Strategic Report, the Directors' Report and 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and 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 Group 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

## **STANLEY DAVIS GROUP LIMITED**

### **REPORT OF THE DIRECTORS**

For the year ended 30 June 2017

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and the Group and 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Future developments**

The directors are not expecting to make any significant changes in the nature of the business in the near future but acquisitions remain a key focus for the Group's further growth.

#### **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 that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that 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 and Group's auditors are aware of that information.

#### **Auditor**

Under section 487(2) of the Companies Act 2006, Armstrong Watson Audit Limited 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.

ON BEHALF OF THE BOARD



Andrew Davis  
Director  
28 November 2017

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### ACCOUNTING POLICIES

For the year ended 30 June 2017

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#### BASIS OF PREPARATION

Stanley Davis Group Limited is a limited liability company incorporated and domiciled in England & Wales under the Companies Act. The Company is a tax resident in the United Kingdom. The address of the registered office is given on the contents page and the nature of the Group's operations and its principal activities are set out in the strategic report. The financial statements of the Group and the Company have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Company's management to exercise judgement in applying the Company's accounting policies (as detailed below).

The financial statements are presented in Sterling (£)

#### *Parent Company disclosure exemptions*

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

#### BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Stanley Davis Group Limited and its subsidiaries. They also include the Group's share of profits and losses of its associated undertaking, Heat Outdoors Limited, up to 31 May 2017, the date of the latest set of financial statements of the company.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying the shareholding of more than half of the voting rights. Where necessary, adjustments have been made to the financial statements of subsidiaries, associates and joint ventures to bring the accounting policies used and accounting periods into line with those of the Group. Intragroup balances and any unrealised gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

The results of subsidiaries acquired during the year are included from the effective date of acquisition, being the date on which the Group obtains control.

Business combinations are accounted for under the acquisition method. Any excess of the purchase price of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. This fair value includes any contingent consideration. Acquisition-related costs are expensed as incurred.

## **STANLEY DAVIS GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **ACCOUNTING POLICIES**

For the year ended 30 June 2017

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The excess of consideration over the fair value of the assets and liabilities acquired is recorded as goodwill. If the consideration is less than the fair value of the assets and liabilities acquired, the difference is recognised directly in the profit and loss account.

#### **ASSOCIATED UNDERTAKINGS**

Associated undertakings, other than subsidiary undertakings, in which the group has an investment representing not less than 20% of the voting rights are accounted for using the equity method. Investments in associated companies are carried in the balance sheet at the Group's share of the net assets of the joint venture and the Group's share of profits for each financial year are recognised in the profit and loss account.

#### **TURNOVER**

The total turnover, excluding VAT and trade discounts, of the Group and Company for the year has been derived from its principal activity and is recognised when the service is provided or in the case of services provided over a period of time the revenue is apportioned over the period of that contract.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost, net of depreciation and any provision for improvement. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Land and buildings leasehold	25% straight line
Fixtures, fittings and equipment	25% - 33% straight line

#### **INTANGIBLE FIXED ASSETS AND AMORTISATION**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of between ten and twenty years.

When the subsidiary companies trade has been hived up to the Parent Company, the remainder of the investment is in excess of the net assets of the subsidiary has been re-classified as goodwill and amortised over its useful life.

#### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

#### **INVESTMENTS**

Investments are included at cost less amounts reclassified as intangible assets and provision for impairment.



# **STANLEY DAVIS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **ACCOUNTING POLICIES**

For the year ended 30 June 2017

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#### **STOCKS**

Stocks are stated at the lower of cost and net realisable value.

#### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

The UK government announced in the summer 2015 budget the reduction in the corporation tax rate from the 20% main rate in the tax year 2016 to 19% with effect from 1<sup>st</sup> April 2017 and to 17% from 1<sup>st</sup> April 2020.

#### **CONTRIBUTIONS TO PENSION SCHEMES**

##### *Defined Contribution Pension Scheme*

The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

#### **FINANCIAL INSTRUMENTS**

Financial instruments are classified and accounted for, according to the substance of the contractual instrument, as either financial assets, financial liabilities or equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all liabilities.

#### **FOREIGN CURRENCIES**

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### **RESEARCH AND DEVELOPMENT**

Expenditure on research and development is charged to the income statement in the year in which it is incurred.

#### **JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

##### *Goodwill, Investments and loans to subsidiary and associated undertakings*

The most critical estimates, assumptions and judgements relate to the determination of carrying value of goodwill, unlisted investments in the Company's subsidiary and associated undertakings and the carrying value of the loans that the Company has made to them. The nature, facts and circumstance of the investment or loans are taken into account on assessing whether there are any indications of impairment.

The estimation of the period in which goodwill is amortised is also a significant estimate and is reviewed on a case by case basis taking into account the anticipated life of the business acquired.

**STANLEY DAVIS GROUP LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £	2016 £
Turnover	1	10,125,441	9,254,024
Cost of sales		<u>(5,718,463)</u>	<u>(4,944,690)</u>
Gross profit		4,406,978	4,309,334
Administrative expenses		<u>(4,164,790)</u>	<u>(3,605,271)</u>
<b>Operating profit before exceptional income</b>		242,188	704,063
Exceptional income		<u>380,299</u>	<u>914,427</u>
<b>Operating profit</b>	2	<u>622,487</u>	<u>1,618,490</u>
Income from interests in associated undertakings	4b	45,972	58,740
Interest payable	5	(176,209)	(46,904)
Other interest receivable and similar income	4a	<u>53,415</u>	<u>62,618</u>
<b>Profit on ordinary activities before taxation</b>		545,665	1,692,944
Tax payable on profit on ordinary activities	6	<u>(106,850)</u>	<u>(324,380)</u>
<b>Profit on ordinary activities after taxation</b>		<u><u>438,815</u></u>	<u><u>1,368,564</u></u>

All transactions arise from continuing operations.

There were no recognised gains and losses for 2017 or 2016 other than those included in the income statement.

There was no other comprehensive income for 2017 (2016:£NIL).


# STANLEY DAVIS GROUP LIMITED

Company no 02413680

## CONSOLIDATED BALANCE SHEET AT 30 JUNE 2017

	Note	2017 £	2016 £
<b>Non-current assets</b>			
Intangible assets	7	5,947,901	2,239,765
Tangible assets	8	151,938	43,615
Investments	9	98,712	118,740
Deferred tax	14	21,949	-
Trade and other receivables	11	-	160,000
		<u>6,220,500</u>	<u>2,562,120</u>
<b>Current assets</b>			
Stocks	10	42,741	9,317
Trade and other receivables	11	2,417,752	2,259,869
Cash at bank and in hand		<u>1,336,580</u>	<u>2,005,709</u>
		<u>3,797,073</u>	<u>4,274,895</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(5,318,728)</u>	<u>(3,354,003)</u>
<b>Net current assets</b>		<u>(1,521,655)</u>	<u>920,892</u>
<b>Creditors: amounts falling due in more than one year</b>	13	(761,227)	-
Deferred tax	14	(17,395)	(5,641)
<b>Total assets less current liabilities</b>		<u><u>3,920,223</u></u>	<u><u>3,477,371</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	5,908	5,908
Share premium account		2,794,098	2,794,098
Profit and loss account		<u>1,120,217</u>	<u>677,365</u>
<b>Shareholders' funds - equity interests</b>		<u><u>3,920,223</u></u>	<u><u>3,477,371</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 28 November 2017



Andrew Davis - Director

**STANLEY DAVIS GROUP LIMITED**

Company no 02413680

**COMPANY BALANCE SHEET AT 30 JUNE 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Non-current assets</b>			
Intangible assets	7	869,051	1,060,446
Tangible fixed assets	8	73,575	33,184
Investments	9	4,909,703	2,013,130
Trade and other receivables	11	-	160,000
		<u>5,852,329</u>	<u>3,266,760</u>
<b>Current assets</b>			
Stocks	10	7,200	7,200
Trade and other receivables	11	1,752,523	1,957,937
Cash at bank and in hand		880,266	1,272,267
		<u>2,639,989</u>	<u>3,237,404</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(5,249,232)</u>	<u>(3,484,593)</u>
<b>Net current liabilities</b>		<u>(2,609,243)</u>	<u>(247,189)</u>
Deferred tax	14	(12,508)	(5,641)
<b>Total net assets</b>		<u><u>3,230,578</u></u>	<u><u>3,013,930</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	5,908	5,908
Share premium account		2,794,098	2,794,098
Profit and loss account		430,572	213,924
<b>Shareholders' funds - equity interests</b>		<u><u>3,230,578</u></u>	<u><u>3,013,930</u></u>

The Company's profit after tax during the year ended 30 June 2017 amounted to £216,648 (2016 £1,152,496).

The financial statements were approved and authorised for issue by the Board of Directors on 28 November 2017



**Andrew Davis - Director**

# STANLEY DAVIS GROUP LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2017

	Share Capital	Share Premium	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
At 30 June 2015	5,908	2,794,098	1,050,000	1,917,804	5,767,810
Profit for the year	-	-	-	1,368,563	1,368,563
Exchange gain on consolidation	-	-	-	141,614	141,614
Total comprehensive income	-	-	-	1,510,177	1,510,177
Capital reduction of Capital redemption reserve	-	-	(1,050,000)	1,050,000	-
Dividends	-	-	-	(3,800,616)	(3,800,616)
<b>At 30 June 2016</b>	<b>5,908</b>	<b>2,794,098</b>	<b>-</b>	<b>677,365</b>	<b>3,477,371</b>
Profit for the year	-	-	-	438,815	438,815
Exchange gain on consolidation	-	-	-	4,037	4,037
Total comprehensive income	-	-	-	442,852	442,852
<b>At 30 June 2017</b>	<b>5,908</b>	<b>2,794,098</b>	<b>-</b>	<b>1,120,217</b>	<b>3,920,223</b>

# STANLEY DAVIS GROUP LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2017

	Share Capital	Share Premium	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
At 30 June 2015	5,908	2,794,098	1,050,000	1,812,044	5,662,050
Profit for the year	-	-	-	1,152,496	1,152,496
Total comprehensive income	-	-	-	1,152,496	1,152,496
Capital reduction of Capital redemption reserve	-	-	(1,050,000)	1,050,000	-
Dividends	-	-	-	(3,800,616)	(3,800,616)
<b>At 30 June 2016</b>	<b>5,908</b>	<b>2,794,098</b>	<b>-</b>	<b>213,924</b>	<b>3,013,930</b>
Profit for the year	-	-	-	216,648	216,648
Total comprehensive income	-	-	-	216,648	216,648
<b>At 30 June 2017</b>	<b>5,908</b>	<b>2,794,098</b>	<b>-</b>	<b>430,572</b>	<b>3,230,578</b>

# STANLEY DAVIS GROUP LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2017

	Note	2017 £	2016 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	3	<b>1,058,603</b>	<b>1,401,120</b>
<b>Investing activities</b>			
Dividends from associate	4b	66,000	40,000
Payments to acquire subsidiary undertakings	7	(3,368,514)	-
Payments to acquire tangible fixed assets	8	(91,115)	(22,550)
Interest received		35,599	52,708
Rent received	4a	17,451	23,250
<b>Net cash flow from investing activity</b>		<b>(3,340,579)</b>	<b>93,408</b>
<b>Financing activities</b>			
(Payment)/Repayment of directors loans		(50,000)	750,000
Repayments of loans from/(to) associated undertaking	11	(46,000)	54,000
Interest paid		(13,447)	-
Equity dividends paid	16	-	(3,800,616)
Bank loans received		(416,806)	-
Repayments of finance leases		(9,544)	-
Repayments of bank loans		1,514,260	-
Loans made to the Group by directors	12	700,000	2,000,000
<b>Net cash flow from investing activity</b>		<b>1,678,463</b>	<b>(996,616)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(603,513)</b>	<b>497,912</b>
Effect of exchange rates on cash and cash equivalents		39,023	75,688
Cash acquired on acquisition of subsidiary undertakings		(104,639)	-
Cash and cash equivalents at 1 July		<b>2,005,709</b>	<b>1,432,109</b>
<b>Cash and cash equivalents at 30 June</b>		<b>1,336,580</b>	<b>2,005,709</b>

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

### 1 TURNOVER AND SEGMENTAL ANALYSIS

The total turnover of the group for the year has been derived from its principal activity. An analysis of turnover is given below:

<i>Geographic area</i>	2017 £	2016 £
United Kingdom	6,480,215	6,771,242
Ireland	2,556,341	1,435,312
Overseas	1,088,885	1,047,470
	<u>10,125,441</u>	<u>9,254,024</u>

### 2 OPERATING PROFIT

The profit on ordinary activities before taxation is stated after:

	2017 £	2016 £
Auditors' remuneration	13,250	12,075
Exchange loss	-	1,033
Operating lease payments	290,192	233,094
Research and development expenditure	98,238	54,500
Amortisation: Goodwill	341,428	277,673
Depreciation: Tangible fixed assets owned	<u>55,857</u>	<u>57,887</u>

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

### 3 RECONCILIATION OF OPERATING PROFIT TO CASH INFLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Profit on ordinary activities before taxation	545,665	1,692,944
Other interest receivable and similar income	(53,415)	(62,618)
Interest payable	176,209	46,904
Income from interests in associated undertakings	(45,972)	(58,740)
Depreciation	55,857	57,887
Amortisation	341,427	277,672
Exchange difference on translation of subsidiary undertaking	(37,369)	64,038
Decrease in debtors	451,509	(232)
Decrease in creditors	(241,280)	(297,069)
<b>Taxation</b>		
Corporation tax paid	<u>(134,028)</u>	<u>(319,666)</u>
Net cash inflow from operating activities	<u>1,058,603</u>	<u>1,401,120</u>



**STANLEY DAVIS GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS**For the year ending 30 June 2017

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**4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

## a) Other interest receivable and similar income

	2017 £	2016 £
Rental Income	17,451	23,250
Other interest receivable	29,760	33,202
Bank interest received	6,204	6,166
	<u>53,415</u>	<u>62,618</u>

## b) Income from interests in associated undertaking

	2017 £	2016 £
(Decrease)/increase in share of net assets	(20,028)	18,740
Dividends received from associated undertaking	66,000	40,000
	<u>45,972</u>	<u>58,740</u>

**5 INTEREST PAYABLE**

	2017 £	2016 £
Interest on bank loans	11,272	-
Interest of finance leases	2,175	-
Interest on shareholder loans	162,762	46,904
	<u>176,209</u>	<u>46,904</u>

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

### 6 TAX PAYABLE ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the result for the period and represents:

	2017 £	2016 £
United Kingdom corporation tax at 19.75% (2016: 20%)	71,183	280,483
Irish corporation tax at 12.5%	62,601	66,852
Deferred tax	(11,450)	(8,115)
Adjustments in respect of prior year:	<u>(15,484)</u>	<u>(14,840)</u>
	<u>106,850</u>	<u>324,380</u>
Based on profit for the year:		
Tax at 19.75% (2016: 20%)	107,769	338,589
Effect of:		
Expenses not deductible for tax purposes	1,185	1,600
Deferred tax	(11,450)	(8,115)
Adjustments in respect of prior years	(15,484)	(14,840)
Differences between capital allowances and depreciation	(7,977)	6,994
Unpaid interest to directors	32,145	9,381
Amortisation of goodwill	55,582	43,534
Profit on interest in associate	(9,080)	(11,748)
Overseas profit at lower tax rate	(35,214)	(40,148)
Other timing differences	<u>(10,626)</u>	<u>(867)</u>
	<u>106,850</u>	<u>324,380</u>

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

### 7 INTANGIBLE FIXED ASSETS

<i>Group</i>	<b>Goodwill £</b>
Cost	
At 1 July 2015 and 1 July 2016	4,234,164
Addition	4,049,564
At 30 June 2017	<u>8,283,728</u>
Amortisation	
At 1 July 2015	1,716,728
Provided in the year	277,671
At 30 June 2016	<u>1,994,399</u>
Provided in the year	341,428
At 30 June 2017	<u>2,335,827</u>
Net book amount at 30 June 2017	<u>5,947,901</u>
Net book amount at 30 June 2016	<u>2,239,765</u>

The average remaining amortisation period of the goodwill amounted to 8 years (2016: 8 years). This expense is shown within administrative expenses in the consolidated statement of comprehensive income within the group accounts.

<i>Company</i>	<b>£</b>
Cost	
At 1 July 2015	2,709,035
Additions	-
At 30 June 2016 and 30 June 2017	<u>2,709,035</u>
Amortisation	
At 1 July 2015	1,451,540
Provided in the year	197,049
At 30 June 2016	<u>1,648,589</u>
Provided in the year	191,395
At 30 June 2017	<u>1,839,984</u>
Net book amount at 30 June 2017	<u>869,051</u>
Net book amount at 30 June 2016	<u>1,060,446</u>

The average remaining amortisation period of the goodwill amounted to 4.4 years (2016: 5.4 years). This expense is shown in its own heading in the company trading profit and loss account after gross profit but before operating profit.

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

### 8 TANGIBLE FIXED ASSETS

<i>Group</i>	<b>Land and buildings leasehold £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<i>Cost</i>			
At 1 July 2015	30,000	287,017	317,017
Exchange difference	-	1,572	1,572
Additions	-	22,550	22,550
At 30 June 2016	30,000	311,139	341,139
Exchange difference	-	2,269	2,269
Disposals	(30,000)	(98,248)	(128,248)
Arising on acquisition of subsidiary undertakings	-	75,600	75,600
Additions	55,705	35,410	91,115
At 30 June 2017	<b>55,705</b>	<b>326,170</b>	<b>381,875</b>
<i>Depreciation</i>			
At 1 July 2015	30,000	209,638	239,638
Provided in the year	-	57,886	57,886
At 30 June 2016	30,000	267,524	297,524
Disposals	(30,000)	(93,444)	(123,444)
Provided in the year	5,234	50,623	55,857
At 30 June 2017	<b>5,234</b>	<b>224,703</b>	<b>229,937</b>
Net book amount at 30 June 2017	<b>50,471</b>	<b>101,467</b>	<b>151,938</b>
Net book amount at 30 June 2016	-	43,615	43,615

Included above are assets held under finance leases amounting to £20,774 (2016: £nil)

<i>Company</i>	<b>Land and buildings leasehold £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<i>Cost</i>			
At 1 July 2015	30,000	271,535	301,535
Additions	-	17,619	17,619
At 30 June 2016	30,000	289,154	319,154
Disposals	(30,000)	(84,460)	(114,460)
Additions	55,705	15,111	70,816
At 30 June 2017	<b>55,705</b>	<b>219,805</b>	<b>275,510</b>
<i>Depreciation</i>			
At 1 July 2015	30,000	203,383	233,383
Provided in the year	-	52,587	52,587
At 30 June 2016	30,000	255,970	285,970
Disposals	(30,000)	(84,460)	(114,460)
Provided in the year	5,234	25,191	30,425
At 30 June 2017	<b>5,234</b>	<b>196,701</b>	<b>201,935</b>
Net book amount at 30 June 2017	<b>50,471</b>	<b>23,104</b>	<b>73,575</b>
Net book amount at 30 June 2016	-	33,184	33,184

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

### 9 FIXED ASSET INVESTMENTS

<i>Group</i>	Shares in associated undertakings £		
At 1 July 2015			100,000
Increase in share of net assets			18,740
At 30 June 2016			118,740
Decrease in share of net assets			(20,028)
At 30 June 2017			98,712

<i>Company</i>	Shares in associated undertakings £	Shares in subsidiary undertakings £	Total Investment £
Cost:			
At 1 July 2015 and 1 June 2016	150,000	3,643,085	3,793,085
Transfer from subsidiary undertaking	-	1,261,369	1,261,369
Acquisition	-	2,896,573	2,896,573
At 30 June 2017	150,000	7,801,027	7,951,027
Provision for diminution in value:			
At 1 July 2015 and 1 July 2016	-	1,779,955	1,779,955
Provided during the year	-	1,261,369	1,261,369
At 30 June 2017	-	3,041,324	3,041,324
Net book amount at 30 June 2017	150,000	4,759,703	4,909,703
Net book amount at 30 June 2016	150,000	1,863,130	2,013,130

#### *Subsidiary undertakings*

At 30 June 2017, the Company owned 100% of the allotted ordinary share capital of the following principal subsidiary undertakings.

Brady & Co (Law Searchers) Limited	Republic of Ireland (1)	Property Search agent
Hibernian Legal (International) Limited	Republic of Ireland (1)	Property Search agent
Formations Direct Limited	England and Wales (2)	Company Formations

(1) Registered office – 3 Inns Quay, Dublin 7, Ireland

(2) Registered office – Woodberry House, 2 Woodberry Grove, North Finchley, London, N12 0DR

On 8 July 2016 the Group purchased the entire share capital of Hibernian International Limited for a consideration of €584,515. Hibernian Legal International Limited's business is that of Law searchers and tracing services. This was financed by a loan of €500,000 from AIB, Ireland, and the remainder through the Group's cash reserves.

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

	Carrying value at acquisition date £	Adjustments £	Fair value at acquisition date £
Fixed assets	45,322	-	45,322
Receivables and prepayment	274,758	-	274,758
Deferred tax asset	3,281	-	3,281
Cash at bank and in hand	(264,248)	-	(264,248)
Payables and other creditors	(285,376)	-	(285,376)
Other loans and finance leases	(36,496)	-	(36,496)
Net assets	<u>(262,759)</u>	<u>-</u>	<u>(262,759)</u>
Cash consideration			471,941
Goodwill on acquisition			<u>734,700</u>

In the year to 30 June 2017, the acquired subsidiary contributed £61,523 to the profit before tax of the Group.

On 13 June 2017 the Group purchased the entire share capital of Xephyr Limited and its subsidiary companies for a consideration of £2,855,000. Xephyr Limited is a leading business in the company formation sector. The acquisition was financed by a loan of €1,250,000 from AIB, Ireland, a loan of £700,000 from the directors and the remainder through the Group's cash reserves.

	Carrying value at acquisition date £'000	Adjustments £'000	Fair value at acquisition date £'000
Trade mark	30,000	(30,000)	-
Fixed assets	30,278	-	30,278
Stock	33,311	-	33,311
Receivables and prepayment	128,270	-	128,270
Cash at bank and in hand	159,609	-	159,609
Payables and other creditors	(558,643)	-	(558,643)
Corporation tax	(206,230)	-	(206,230)
Deferred tax	(4,887)	-	(4,887)
Net assets	<u>(388,292)</u>	<u>(30,000)</u>	<u>(418,292)</u>
Consideration			2,896,573
Goodwill on acquisition			<u>3,314,865</u>

The Consideration of £2,855,000 was paid in cash on completion with costs associated with the acquisition amounting to £41,573. There is the possibility of further contingent consideration payable based on the performance of the business after completion but the contingent consideration cannot be measured reliably at this stage. The acquired subsidiary contributed £21,248 to the profit before tax of the Group.

## STANLEY DAVIS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

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The following companies are all dormant subsidiaries incorporated in England and Wales. All dormant group companies take advantage of the exemption from having their accounts audited. The registered office of the subsidiaries is One George Yard, London, EC3V 9DF with the exception of those marked (\*) where it is Elizabeth House, 13-19, Queen Street, Leeds, LS1 2TW and those marked (\*\*) where it is Woodberry House, 2 Woodberry Grove, North Finchley, London, N12 0DR.

JH Management Services Limited  
JH Vat Services Limited  
CR Secretaries Limited  
Hallmark Secretaries Limited  
CCS Directors Limited  
CCS Secretaries Limited  
Hallmark Registrars Limited  
Brighton Director Limited  
Kalman Turner Company Services Limited  
Capital Registrars Limited  
Capital Company Services Limited  
Citylaw (Company Services) Limited  
First Choice Company Formations Limited  
Hallmark Company Services Limited  
Brighton Secretary Limited  
Brighton Company Formations Limited  
Hanover Company Formations Limited  
BFL Group Limited  
Brighton Formations (UK) Limited  
Brighton Formations (Services) Limited  
Limited Company Restorations Limited  
Company Restorations Limited  
Brighton Company Restorations Limited  
Hanover Company Services Limited  
Hanover Directors Limited  
SDG Nominees Limited  
SDG Registrars Limited  
SDG Secretaries Limited  
Waterlows Limited  
Eurolife Secretaries Limited  
York Place Company Services Limited (\*)  
York Place Second Nominees Limited (\*)  
York Place Company Nominees Limited (\*)  
York Place Company Secretaries Limited (\*)  
Xephyr Limited(\*\*)  
Blue Sky Formations Limited (\*\*)

#### *Associated Undertakings*

At 30 June 2017, the Company owned 40% of the share capital of Heat Outdoors Limited, a company incorporated in England and Wales. The principal activity of the group is that of supplying outdoor heating equipment and hand dryers. The year end of Heat Outdoors Limited is 31 May 2017. Heat Outdoors Limited has a 100% subsidiary undertaking, Sterillo Limited.

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

### 10 STOCKS

	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	£	£	£	£
Finished goods and goods for resale	<u>42,741</u>	<u>9,317</u>	<u>7,200</u>	<u>7,200</u>

### 11 TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	£	£	£	£
<i>Current</i>				
Trade debtors	1,855,701	1,894,075	1,192,536	1,567,204
Other debtors	70,943	94,692	70,943	93,756
Amounts owed by associated undertaking	296,000	90,000	296,000	90,000
Amounts owed by subsidiary undertakings	-	-	34,132	32,457
Prepayments and accrued income	195,108	181,102	158,912	174,520
	<u>2,417,752</u>	<u>2,259,869</u>	<u>1,752,523</u>	<u>1,957,937</u>
<i>Non-Current</i>				
Amounts owed by associated undertaking	-	160,000	-	160,000
	<u>-</u>	<u>160,000</u>	<u>-</u>	<u>160,000</u>

### 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	546,296	352,120	441,311	345,818
Corporation tax	281,869	97,385	66,933	90,482
Other taxation and social security	552,728	395,266	332,442	336,040
Pension creditor	8,289	7,123	8,289	7,123
Amounts owed to subsidiary undertakings	-	-	1,123,834	233,956
Bank loans	351,298	-	-	-
Obligations under finance leases (note 22)	7,076	-	-	-
Directors' current account	-	50,000	-	50,000
Directors' loans	2,700,000	2,000,000	2,700,000	2,000,000
Accruals and deferred income	871,172	452,109	576,423	421,174
	<u>5,318,728</u>	<u>3,354,003</u>	<u>5,249,232</u>	<u>3,484,593</u>

The Directors loans are provided by Andrew Davis amounting to £1,000,000 (2016: £1,000,000), Nigel Lindsay-Fynn amounting to £1,350,000 (2016: £1,000,000) and Stanley Davis £350,000 (2016: £nil). These loans are payable on demand and interest is charged at a rate of 8% per annum. The amount of interest charged on the loans during the year was £162,762 (2016: £46,904) and this amount remains unpaid at the year end.

The bank loans are secured by a floating charge over the assets of a subsidiary company, Brady & Co (Law Searchers) Limited and the Parent Company has provided a guarantee to the bank.



# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

### 13 CREDITORS AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	£	£	£	£
Bank loans - wholly repayable within 5 years	746,156	-	-	-
Obligations under finance leases (note 22)	15,071	-	-	-
	<u>761,227</u>	<u>-</u>	<u>-</u>	<u>-</u>

The bank loans are secured by a floating charge over the assets of a subsidiary company, Brady & Co (Law Searchers) Limited and the Parent Company has provided a guarantee to the bank. The loan is repayable in 36 equal monthly instalments at an interest rate of 4.05% + ECB base rate.

### 14 DEFERRED TAX ASSET/LIABILITY

<b>Deferred tax asset</b>	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	£	£	£	£
At 1 July 2016	-	-	-	-
Acquired in the year	2,636	-	-	-
Exchange difference	996	-	-	-
Credit for the year	18,317	-	-	-
At 30 June 2017	<u>21,949</u>	<u>-</u>	<u>-</u>	<u>-</u>
Losses to carry forward	21,949	-	-	-
At 30 June 2017	<u>21,949</u>	<u>-</u>	<u>-</u>	<u>-</u>

<b>Deferred tax liability</b>	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	£	£	£	£
At 1 July 2016	(5,641)	(13,756)	(5,641)	(13,756)
Acquired in the year	(4,887)	-	-	-
Credit/(charge) for the year	(6,867)	8,115	(6,867)	8,115
At 30 June 2017	<u>(17,395)</u>	<u>(5,641)</u>	<u>(12,508)</u>	<u>(5,641)</u>
Capital allowances in excess of depreciation	(17,395)	(5,641)	(12,508)	(5,641)
At 30 June 2017	<u>(17,395)</u>	<u>(5,641)</u>	<u>(12,508)</u>	<u>(5,641)</u>

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

### 15 SHARE CAPITAL

	2017 £	2016 £
Allotted, called up and fully paid 5,908 (2016: 5,908) Ordinary shares of £1 each	<u>5,908</u>	<u>5,908</u>
	<u>5,908</u>	<u>5,908</u>

#### Share premium account

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

#### Capital redemption reserve

This reserve records the nominal value of shares redeemed by the Company.

#### Profit and loss account

Includes all current and prior period retained profits and losses.

### 16 DIVIDENDS

	Payment date	Dividend per share £	2017 £	2016 £
Final dividend proposed		-	-	-
Interim dividend 1	30 September 2016	169.30	-	1,000,224
Interim dividend 2	15 March 2017	474.00	-	2,800,392
Dividends reported in the statements of changes in equity		<u>643.30</u>	<u>-</u>	<u>3,800,616</u>

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

### 17 STAFF COSTS AND EMPLOYEES

Staff costs during the year were as follows:

	2017 £	2016 £
Wages and salaries	3,517,953	2,995,223
Social security costs	312,058	276,886
Other pension costs	107,897	158,673
	<u>3,937,908</u>	<u>3,430,782</u>

The average number of employees of the Company during the year was:

	2017 Number	2016 Number
Searchers, office and management	<u>161</u>	<u>143</u>

Remuneration in respect of directors was as follows:

	2017 £	2016 £
Emoluments for qualifying services	551,975	584,821
Pension contributions to money purchase pension schemes	19,200	54,279
	<u>571,175</u>	<u>639,100</u>

During the year 1 director (2016: 3) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2017 £	2016 £
Emoluments	190,757	204,678
Pension contributions to money purchase pension schemes	-	21,833
	<u>190,757</u>	<u>226,511</u>

### 18 FINANCIAL INSTRUMENTS

	2017 £	2016 £
<b>Financial assets measured at fair value through the profit or loss</b>		
Cash at bank and in hand	<u>1,336,580</u>	<u>2,005,709</u>
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade and other debtors	<u>2,222,644</u>	<u>2,238,767</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables	(554,585)	(359,243)
Accruals	(871,172)	(452,109)
Bank loans	(1,097,454)	-
Directors' current account	-	(50,000)
Directors' loans	<u>(2,700,000)</u>	<u>(2,000,000)</u>
	<u>(5,223,211)</u>	<u>(2,861,352)</u>

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

### 19 CAPITAL COMMITMENTS

The Group and Company had no capital commitments at 30 June 2017 or 30 June 2016.

### 20 CONTINGENT LIABILITIES/ASSETS

There were no contingent liabilities at 30 June 2017 or 30 June 2016.

At 30 June 2017 the Company had an outstanding legal dispute against various local authorities for over charged fees between 2005 and 2012. This claim was substantially resolved during the year and resulted in the Company receiving an on account payment of £380,299 (2016: £914,966). However, the legal process is still ongoing and there is the possibility that further sums may be received in the future, the value and timing of which is unknown at this stage.

### 21 RETIREMENT BENEFITS

#### Defined contribution pension scheme

The group operates a number of defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

### 22 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

The group use finance leases to acquire certain fixed assets. Future minimum lease payments due under finance leases and hire purchase contracts:

Group	2017 £	2016 £
Amounts payable		
Within one year	10,139	-
In two to five years	17,556	-
	27,695	-
Less: finance charges allocated to future periods	5,548	-
At 30 June 2017	<u>22,147</u>	<u>-</u>

The finance lease creditors are secured over the fixed assets to which they relate.

Total minimum operating lease payments in respect of rents on leasehold properties occupied by the Group and Company are payable as follows:

Group	2017 Land and Buildings £	2016 Land and buildings £	2017 Others £	2016 Others £
Within one year	255,860	208,070		
From one to two years	254,395	86,303		
From two to five years	458,525	122,318		
Greater than five years	21,217	42,117	-	-
	<u>989,997</u>	<u>458,808</u>		

## STANLEY DAVIS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2017

Company	2017 Land and Buildings £	2016 Land and buildings £	2017 Others £	2016 Others £
Within one year	213,694	176,404		
From one to two years	222,728	54,636		
From two to five years	363,525	27,318	-	-
	<u>799,947</u>	<u>258,358</u>		

#### 23 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The Company provided accountancy and other services amounting to £39,663 (2016: £63,553) to Palace Capital plc a company in which Stanley Davis is a director. At as at the year end, £nil (2016: £12,000) was owed by Palace Capital plc to Stanley Davis Group Limited.

The Company has made a loan to its associated undertaking, Heat Outdoors Limited and is owed £296,000 at 30 June 2017 (2016: £250,000). Interest amounting to £29,760 was received during the year (2016: £26,785). The interest on this loan is charged at 10% and is considered to be at market rate.

The Directors loans are provided by Andrew Davis amounting to £1,000,000 (2016: £1,000,000), Nigel Lindsay-Fynn amounting to £1,350,000 (2016: £1,000,000) and Stanley Davis £350,000 (2016: £nil). These loans are payable on demand and interest is charged at a rate of 8% per annum. The amount of interest charged on the loans during the year was £162,762 (2016: £46,904) and this amount remains unpaid at the year end.

In addition, Nigel Lindsay-Fynn and Stanley Davis were owed £25,000 each as at 30 June 2016 as outstanding directors' current account balances. These were repaid on 27 July 2016.

During the year the Company made a £100,000 (2016: £nil) donation to the Medburn Trust (Charity number 1168503). Stanley Davis is a trustee of this charity. In 2016, the Company made a £100,000 donation to the Lindsay-Fynn Trust (Charity number 272846). Nigel Lindsay-Fynn is a trustee of this charity.

The Company has taken advantage of the FRS 102 exemption not to prepare disclosed related party transactions between group members.

#### 24 CONTROLLING PARTIES

The Company was not under the control of any one individual or body throughout the current and previous year.

## **STANLEY DAVIS GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANLEY DAVIS GROUP LIMITED**

For the year ended 30 June 2017

We have audited the financial statements of Stanley Davis Group Limited for the year ended 30 June 2017, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and the related notes, including a summary of the 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent Company's affairs as at 30 June 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **STANLEY DAVIS GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANLEY DAVIS GROUP LIMITED**

For the year ended 30 June 2017

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 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 Group 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 Group strategic report and Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report and 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 on page 4, 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 Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**STANLEY DAVIS GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANLEY DAVIS GROUP LIMITED**

For the year ended 30 June 2017

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

MATTHEW OSBOURNE (Senior Statutory Auditor)  
For and on behalf of  
ARMSTRONG WATSON AUDIT LIMITED  
Chartered Accountants & Statutory Auditors  
LEEDS

18 December 2017