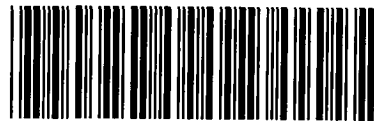


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**STANLEY DAVIS GROUP
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2018

Company no 02413680

STANLEY DAVIS GROUP LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2018

Company registration number: 02413680

Registered office: 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 2018

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STANLEY DAVIS GROUP LIMITED

STRATEGIC REPORT

For the year ended 30 June 2018

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 Brexit uncertainty together with the increases in stamp duty has caused a reduction in the number of transactions in the market over the last 2 years. In Ireland, the economy has been recovering strongly and the group is in an excellent position to take advantage of the current upturn in the Irish market.

The acquisition of Formations Direct Limited increased the group's ability to compete in the company formation market. The integration of this business is complete and the benefits are contributing to the group results.

The investment in Heat Outdoors Limited remains encouraging and the business is well positioned to achieve significant growth and has recently expanded its warehouse capabilities in order to continue to deliver this growth. The business has continued to develop some strong brands in Sterillo, Shadow Heaters and the Handy Dryer range of branded products.

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 £11,893,991 (2017: £10,125,441) an increase of 17% on the prior year.

Profit before tax for the year was £403,318 (2017: £545,665) a decrease of 26% on last year.

Net cash flows from operating activities were down 12% to £927,695 (2017: £1,058,603).

ON BEHALF OF THE BOARD



Andrew Davis
Director
29 November 2018

STANLEY DAVIS GROUP LIMITED

REPORT OF THE DIRECTORS

For the year ended 30 June 2018

The directors present their report together with the audited financial statements for the year ended 30 June 2018.

Strategic Report

The Company is required to prepare a fair review of the business of the Group during the financial year ended 30 June 2018 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 £335,268 (2017: £438,815). The directors did not pay an interim dividend this year and do not recommend the payment of a final dividend (2017: £nil).

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 2018

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
29 November 2018

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

For the year ended 30 June 2018

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 2018, 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 2018

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	20% straight line
Fixtures, fittings and equipment	20% - 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 2018

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 19% to 17% from 1st 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 2018

	Note	2018 £	2017 £
Turnover	1	11,813,991	10,125,441
Cost of sales		<u>(5,835,116)</u>	<u>(5,718,463)</u>
Gross profit		5,978,875	4,406,978
Administrative expenses		<u>(5,450,705)</u>	<u>(4,164,790)</u>
Operating profit before exceptional income		528,170	242,188
Exceptional income		-	380,299
Operating profit	2	<u>528,170</u>	<u>622,487</u>
Income from interests in associated undertakings	4b	31,351	45,972
Interest payable	5	<u>(231,191)</u>	<u>(176,209)</u>
Other interest receivable and similar income	4a	<u>74,988</u>	<u>53,415</u>
Profit on ordinary activities before taxation		403,318	545,665
Tax payable on profit on ordinary activities	6	<u>(68,050)</u>	<u>(106,850)</u>
Profit on ordinary activities after taxation		<u>335,268</u>	<u>438,815</u>

All transactions arise from continuing operations.

There were no recognised gains and losses for 2018 or 2017 other than those included in the income statement.

There was no other comprehensive income for 2018 (2017:£nil).

STANLEY DAVIS GROUP LIMITED

Company no 02413680

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2018

	Note	2018 £	2017 £
Non-current assets			
Intangible assets	7	5,623,914	5,947,901
Tangible assets	8	128,320	151,938
Investments	9	58,992	98,712
Deferred tax	14	19,485	21,949
		<u>5,830,711</u>	<u>6,220,500</u>
Current assets			
Stocks	10	39,572	42,741
Trade and other receivables	11	2,400,394	2,417,752
Cash at bank and in hand		884,984	1,336,580
		<u>3,324,950</u>	<u>3,797,073</u>
Creditors: amounts falling due within one year	12	<u>(4,881,016)</u>	<u>(5,318,728)</u>
Net current assets		(1,556,066)	(1,521,655)
Creditors: amounts falling due in more than one year	13	(7,750)	(761,227)
Deferred tax	14	(18,352)	(17,395)
Total assets less current liabilities		<u>4,248,543</u>	<u>3,920,223</u>
Capital and reserves			
Called up share capital	15	5,908	5,908
Share premium account		2,794,098	2,794,098
Profit and loss account		1,448,537	1,120,217
Shareholders' funds - equity interests		<u>4,248,543</u>	<u>3,920,223</u>

The financial statements were approved and authorised for issue by the Board of Directors on 29 November 2018



Andrew Davis - Director

STANLEY DAVIS GROUP LIMITED

Company no 02413680

COMPANY BALANCE SHEET AT 30 JUNE 2018

	Note	2018 £	2017 £
Non-current assets			
Intangible assets	7	677,656	869,051
Tangible fixed assets	8	79,205	73,575
Investments	9	5,084,703	4,909,703
		<u>5,841,564</u>	<u>5,852,329</u>
Current assets			
Stocks	10	7,200	7,200
Trade and other receivables	11	2,398,536	1,752,523
Cash at bank and in hand		531,725	880,266
		<u>2,937,461</u>	<u>2,639,989</u>
Creditors: amounts falling due within one year	12	<u>(4,703,920)</u>	<u>(5,249,232)</u>
Net current liabilities		<u>(1,766,459)</u>	<u>(2,609,243)</u>
Deferred tax	14	(13,465)	(12,508)
Total net assets		<u>4,061,640</u>	<u>3,230,578</u>
Capital and reserves			
Called up share capital	15	5,908	5,908
Share premium account		2,794,098	2,794,098
Profit and loss account		1,261,634	430,572
Shareholders' funds - equity interests		<u>4,061,640</u>	<u>3,230,578</u>

The Company's profit after tax during the year ended 30 June 2018 amounted to £831,062 (2017 £216,648).

The financial statements were approved and authorised for issue by the Board of Directors on 29 November 2018



Andrew Davis - Director

STANLEY DAVIS GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2018

	Share Capital	Share Premium	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
At 30 June 2016	5,908	2,794,098	-	677,365	3,477,371
Profit for the year	-	-	-	438,815	438,815
Exchange gain on consolidation	-	-	-	4,037	4,037
Total comprehensive income	-	-	-	442,852	442,852
At 30 June 2017	5,908	2,794,098	-	1,120,217	3,920,223
Profit for the year	-	-	-	335,268	335,268
Exchange gain on consolidation	-	-	-	(6,948)	(6,948)
Total comprehensive income	-	-	-	328,320	328,320
At 30 June 2018	5,908	2,794,098	-	1,448,537	4,248,543

STANLEY DAVIS GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2018

	Share Capital	Share Premium	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
At 30 June 2016	5,908	2,794,098	-	213,924	3,013,930
Profit for the year	-	-	-	216,648	216,648
Total comprehensive income	-	-	-	216,648	216,648
At 30 June 2017	5,908	2,794,098	-	430,572	3,230,578
Profit for the year	-	-	-	831,062	831,062
Total comprehensive income	-	-	-	831,062	831,062
At 30 June 2018	5,908	2,794,098	-	1,261,634	4,061,640

STANLEY DAVIS GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2018

	Note	2018 £	2017 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	3	927,695	1,058,603
Investing activities			
Dividends from associate	4b	71,071	66,000
Payments to acquire subsidiary undertakings	7	-	(3,368,514)
Payments to acquire tangible fixed assets	8	(41,706)	(91,115)
Interest received		50,197	35,599
Rent received	4a	24,791	17,451
Net cash flow from investing activity		104,353	(3,340,579)
Financing activities			
Repayment of directors loans		(600,000)	(50,000)
Payments of loans to associated undertaking	11	(151,000)	(46,000)
Interest paid		(34,303)	(13,447)
Bank loans repaid		(692,656)	(416,806)
Repayments of finance leases		(8,048)	(9,544)
Receipts of loans from banks		-	1,514,260
Loans made to the Group by directors	12	-	700,000
Net cash flow from investing activity		(1,486,007)	1,678,463
INCREASE IN CASH AND CASH EQUIVALENTS		(453,959)	(603,513)
Effect of exchange rates on cash and cash equivalents		2,363	39,023
Cash acquired on acquisition of subsidiary undertakings		-	(104,639)
Cash and cash equivalents at 1 July		1,336,580	2,005,709
Cash and cash equivalents at 30 June		884,984	1,336,580

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2018

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>	2018 £	2017 £
United Kingdom	8,164,754	6,480,215
Ireland	2,776,814	2,556,341
Overseas	952,423	1,088,885
	<u>11,893,991</u>	<u>10,125,441</u>

2 OPERATING PROFIT

The profit on ordinary activities before taxation is stated after:

	2018 £	2017 £
Auditors' remuneration	18,300	13,250
Operating lease payments	283,089	290,192
Research and development expenditure	88,411	98,238
Amortisation: Goodwill	498,987	341,428
Depreciation: Tangible fixed assets owned	<u>65,740</u>	<u>55,857</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

	2018 £	2017 £
Profit on ordinary activities before taxation	403,317	545,665
Other interest receivable and similar income	(74,988)	(53,415)
Interest payable	231,191	176,209
Income from interests in associated undertakings	(31,351)	(45,972)
Depreciation	65,740	55,857
Amortisation	498,987	341,427
Exchange difference on translation of subsidiary undertaking	(9,743)	(37,369)
Decrease in stock	3,187	-
Decrease in debtors	168,358	451,509
Decrease in creditors	(44,027)	(241,280)
Taxation		
Corporation tax paid	<u>(282,976)</u>	<u>(134,028)</u>
Net cash inflow from operating activities	<u>927,695</u>	<u>1,058,603</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2018

4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

a) Other interest receivable and similar income

	2018 £	2017 £
Rental Income	24,791	17,451
Other interest receivable	49,956	29,760
Bank interest received	241	6,204
	<u>74,988</u>	<u>53,415</u>

b) Income from interests in associated undertaking

	2018 £	2017 £
(Decrease)/increase in share of net assets	(39,720)	(20,028)
Dividends received from associated undertaking	<u>71,071</u>	<u>66,000</u>
	<u>31,351</u>	<u>45,972</u>

5 INTEREST PAYABLE

	2018 £	2017 £
Interest on bank loans	32,305	11,272
Interest of finance leases	1,998	2,175
Interest on shareholder loans	<u>196,888</u>	<u>162,762</u>
	<u>231,191</u>	<u>176,209</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2018

6 TAX PAYABLE ON PROFIT ON ORDINARY ACTIVITIES

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

	2018 £	2017 £
United Kingdom corporation tax at 19.0% (2017: 19.75%)	30,468	71,183
Irish corporation tax at 12.5%	67,063	62,601
Deferred tax	957	(11,450)
Adjustments in respect of prior year:	<u>(30,438)</u>	<u>(15,484)</u>
	<u>68,050</u>	<u>106,850</u>
Based on profit for the year:		
Tax at 19.0% (2017: 19.75%)	76,630	107,769
Effect of:		
Expenses not deductible for tax purposes	1,140	1,185
Deferred tax	957	(11,450)
Adjustments in respect of prior years	(30,438)	(15,484)
Differences between capital allowances and depreciation	(7,977)	(7,977)
Unpaid interest to directors	37,409	32,145
Amortisation of goodwill	83,408	55,582
Profit on interest in associate	(5,957)	(9,080)
Overseas profit at lower tax rate	(34,067)	(35,214)
Utilisation of tax losses	(39,917)	-
Other timing differences	<u>(13,138)</u>	<u>(10,626)</u>
	<u>68,050</u>	<u>106,850</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2018

7 INTANGIBLE FIXED ASSETS

<i>Group</i>	<i>£</i>	<i>Goodwill</i> <i>£</i>
Cost		
At 1 July 2016		4,234,164
Addition		4,049,564
At 30 June 2017		8,283,728
Addition		175,000
At 30 June 2018		<u>8,458,728</u>
Amortisation		
At 1 July 2016		1,994,399
Provided in the year		341,428
At 30 June 2017		<u>2,335,827</u>
Provided in the year		498,987
At 30 June 2018		<u>2,834,814</u>
Net book amount at 30 June 2018		<u>5,623,914</u>
Net book amount at 30 June 2017		<u>5,947,901</u>

The average remaining amortisation period of the goodwill amounted to 7 years (2017: 8 years). This expense is shown within administrative expenses in the consolidated statement of comprehensive income within the group accounts.

Company

	<i>£</i>
Cost	
At 1 July 2016 and June 2017	2,709,035
Additions	-
At 30 June 2018	<u>2,709,035</u>
Amortisation	
At 1 July 2016	1,648,589
Provided in the year	191,395
At 30 June 2017	<u>1,839,984</u>
Provided in the year	191,395
At 30 June 2018	<u>2,031,379</u>
Net book amount at 30 June 2018	<u>677,656</u>
Net book amount at 30 June 2017	<u>869,051</u>

The average remaining amortisation period of the goodwill amounted to 3.6 years (2017: 4.4 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 2018

8 TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Land and buildings leasehold £</i>	<i>Fixtures, fittings and equipment £</i>	<i>Total £</i>
<i>Cost</i>			
At 1 July 2015	30,000	311,139	341,139
Exchange difference	-	2,269	2,269
Disposals	(30,000)	(98,248)	(128,248)
Arising on acquisition of subsidiary undertaking		75,600	75,600
Additions	55,705	35,410	91,115
At 30 June 2017	55,705	326,170	381,875
Exchange difference	-	424	424
Additions	0	41,706	41,706
At 30 June 2018	55,705	368,300	424,005
<i>Depreciation</i>			
At 1 July 2015	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	5,234	224,703	229,937
Provided in the year	11,136	54,612	65,748
At 30 June 2018	16,370	279,315	295,685
Net book amount at 30 June 2018	39,335	88,985	128,320
Net book amount at 30 June 2017	50,471	101,467	151,938

Included above are assets held under finance leases with a net book value amounting to £10,942 (2017: £20,774)

<i>Company</i>	<i>Land and buildings leasehold £</i>	<i>Fixtures, fittings and equipment £</i>	<i>Total £</i>
<i>Cost</i>			
At 1 July 2015	30,000	289,154	319,154
Disposals	(30,000)	(84,460)	(114,460)
Additions	55,705	15,111	70,816
At 30 June 2017	55,705	219,805	275,510
Additions	-	32,747	32,747
At 30 June 2018	55,705	252,552	308,257
<i>Depreciation</i>			
At 1 July 2015	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	5,234	196,701	201,935
Provided in the year	11,136	15,981	27,117
At 30 June 2018	16,370	212,682	229,052
Net book amount at 30 June 2018	39,335	39,870	79,205
Net book amount at 30 June 2017	50,471	23,104	73,575

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2018

9 FIXED ASSET INVESTMENTS

<i>Group</i>			Shares in associated undertakings £
At 1 July 2016			118,740
Increase in share of net assets			(20,028)
At 30 June 2017			98,712
Decrease in share of net assets			(39,720)
At 30 June 2018			<u>58,992</u>

<i>Company</i>	Shares in associated undertakings £	Shares in subsidiary undertakings £	Total Investment £
Cost:			
At 1 July 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
Acquisition	-	175,000	175,000
At 30 June 2017 and 30 June 2018	<u>150,000</u>	<u>7,976,027</u>	<u>8,126,027</u>
Provision for diminution in value:			
At 1 July 2016	-	1,779,955	1,779,955
Provided during the year	-	1,261,369	1,261,369
At 30 June 2017 and 30 June 2018	-	<u>3,041,324</u>	<u>3,041,324</u>
Net book amount at 30 June 2018	<u>150,000</u>	<u>4,934,703</u>	<u>5,084,703</u>
Net book amount at 30 June 2017	<u>150,000</u>	<u>4,759,703</u>	<u>4,909,703</u>

Acquisition

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. The Consideration was paid in cash on completion with costs associated with the acquisition amounting to £41,573. A further contingent consideration amounting to £175,000 is payable based on the performance of the business after completion and has been provided for in full.

Subsidiary undertakings

At 30 June 2018, 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

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2018

- (1) Registered office – 3 Inns Quay, Dublin 7, Ireland
- (2) Registered office – Woodberry House, 2 Woodberry Grove, North Finchley, London, N12 0DR

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
Capital Registrars Limited
Capital Company Services Limited
Hallmark Company Services Limited
Brighton Secretary Limited
Brighton Company Formations Limited
Hanover Company Formations 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
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 2018, 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 2018. 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 2018

10 STOCKS

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
Finished goods and goods for resale	<u>39,572</u>	<u>42,741</u>	<u>7,200</u>	<u>7,200</u>

11 TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
<i>Current</i>				
Trade debtors	1,678,166	1,855,701	1,036,391	1,192,536
Other debtors	21,658	70,943	21,658	70,943
Amounts owed by associated undertaking	450,000	296,000	450,000	296,000
Amounts owed by subsidiary undertakings	-	-	464,776	34,132
Prepayments and accrued income	250,570	195,108	425,711	158,912
	<u>2,400,394</u>	<u>2,417,752</u>	<u>2,398,536</u>	<u>1,752,523</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	498,773	546,296	409,676	441,311
Corporation tax	63,522	281,869	2,468	66,933
Other taxation and social security	486,657	552,728	352,522	332,442
Pension creditor	13,294	8,289	13,294	8,289
Amounts owed to subsidiary undertakings	-	-	835,777	1,123,834
Bank loans	404,798	351,298	-	-
Obligations under finance leases (note 22)	6,348	7,076	-	-
Other creditors	3,000	-	3,000	-
Directors' loans	2,100,000	2,700,000	2,100,000	2,700,000
Accruals and deferred income	1,304,624	871,172	987,183	576,423
	<u>4,881,016</u>	<u>5,318,728</u>	<u>4,703,920</u>	<u>5,249,232</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.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2018

13 CREDITORS AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
Bank loans - wholly repayable within 5 years	-	746,156	-	-
Obligations under finance leases (note 22)	7,750	15,071	-	-
	<u>7,750</u>	<u>761,227</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

Deferred tax asset	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
At 1 July 2017	21,949	-	-	-
Acquired in the year	-	2,636	-	-
Exchange difference	175	996	-	-
Credit/(charge) for the year	(2,639)	18,317	-	-
At 30 June 2018	<u>19,485</u>	<u>21,949</u>	<u>-</u>	<u>-</u>
Losses to carry forward	19,485	21,949	-	-
At 30 June 2018	<u>19,485</u>	<u>21,949</u>	<u>-</u>	<u>-</u>

Deferred tax liability	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
At 1 July 2017	(17,395)	(5,641)	(12,508)	(5,641)
Acquired in the year	-	(4,887)	-	-
Charge for the year	(957)	(6,867)	(957)	(6,867)
At 30 June 2018	<u>(18,352)</u>	<u>(17,395)</u>	<u>(13,465)</u>	<u>(12,508)</u>
Capital allowances in excess of depreciation	(18,352)	(17,395)	(13,465)	(12,508)
At 30 June 2018	<u>(18,352)</u>	<u>(17,395)</u>	<u>(13,465)</u>	<u>(12,508)</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2018

15 SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid 5,908 (2017: 5,908) Ordinary shares of £1 each	5,908	5,908
	<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 STAFF COSTS AND EMPLOYEES

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	4,128,342	3,517,953
Social security costs	393,105	312,058
Other pension costs	142,551	107,897
	<u>4,663,998</u>	<u>3,937,908</u>

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

	2018 Number	2017 Number
Searchers, office and management	168	161

Remuneration in respect of directors was as follows:

	2018 £	2017 £
Emoluments for qualifying services	571,519	551,975
Pension contributions to money purchase pension schemes	20,160	19,200
	<u>591,679</u>	<u>571,175</u>

During the year 1 director (2017: 1) participated in money purchase pension schemes.

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

	2018 £	2017 £
Emoluments	160,760	190,757
Pension contributions to money purchase pension schemes	20,160	-
	<u>180,920</u>	<u>190,757</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2018

17 FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at fair value through the profit or loss		
Cash at bank and in hand	<u>884,984</u>	<u>1,336,580</u>
Financial assets that are debt instruments measured at amortised cost		
Trade and other debtors	<u>2,149,825</u>	<u>2,222,644</u>
Financial liabilities measured at amortised cost		
Trade and other payables	(512,067)	(554,585)
Accruals	(1,304,624)	(871,172)
Bank loans	(404,798)	(1,097,454)
Directors' loans	<u>(2,100,000)</u>	<u>(2,700,000)</u>
	<u>(4,321,489)</u>	<u>(5,223,211)</u>

18 CAPITAL COMMITMENTS

The Group and Company had no capital commitments at 30 June 2018 or 30 June 2017.

19 CONTINGENT LIABILITIES/ASSETS

There were no contingent liabilities at 30 June 2018 or 30 June 2017.

At 30 June 2018 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 £nil (2017: £380,299). 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.

20 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.

21 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	2018 £	2017 £
Amounts payable		
Within one year	7,173	10,139
In two to five years	<u>8,758</u>	<u>17,556</u>
	15,931	27,695
Less: finance charges allocated to future periods	<u>1,833</u>	<u>5,548</u>
At 30 June 2018	<u>14,098</u>	<u>22,147</u>

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

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2018

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

	2018 Land and Buildings £	2017 Land and buildings £	2018 Others £	2017 Others £
Group				
Within one year	255,771	255,860	-	-
From one to two years	178,453	254,395	-	-
From two to five years	306,341	458,525	-	-
Greater than five years	-	21,217	-	-
	<u>740,565</u>	<u>989,997</u>	<u>-</u>	<u>-</u>
Company				
Within one year	222,728	213,694	-	-
From one to two years	145,410	222,728	-	-
From two to five years	218,115	363,525	-	-
	<u>586,253</u>	<u>799,947</u>	<u>-</u>	<u>-</u>

22 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The Company provided accountancy and other services amounting to £74,190 (2017: £39,663) to Palace Capital plc a company in which Stanley Davis is a director. At as at the year end, £nil (2017: £nil) 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 £450,000 at 30 June 2018 (2017: £296,000). Interest amounting to £49,956 was received during the year (2017: £29,760). 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 (2017: £1,000,000), Nigel Lindsay-Fynn amounting to £1,050,000 (2017: £1,350,000) and Stanley Davis £50,000 (2017: £350,000). 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 £196,888 (2017: £162,762) and this amount remains unpaid at the year end.

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

23 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 2018

We have audited the financial statements of Stanley Davis Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2018, 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).

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 2018 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.

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

STANLEY DAVIS GROUP LIMITED

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

For the year ended 30 June 2018

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 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 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 Group or the Parent 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 2018

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

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 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.

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

13.12. 2018