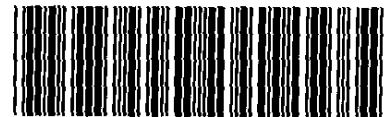


REGISTERED NUMBER: 3682824 (England and Wales)

**Annual Report and
Unaudited Financial Statements for the Year Ended 30 November 2022
for
SThree IP Limited**

WEDNESDAY



ACBØTIRC

A19

30/08/2023

#32

COMPANIES HOUSE

	Page
Company Information	1
Report of the Directors	2
Income Statement	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

SThree IP Limited

**Company Information
for the Year Ended 30 November 2022**

DIRECTORS: K Danson
Cavendish Directors Limited
S Anderson (Resigned 6 April 2022)

COMPANY SECRETARY: Cavendish Directors Limited

REGISTERED OFFICE: 1st Floor
75 King William Street
London
EC4N 7BE
United Kingdom

REGISTERED NUMBER: 3682824 (England and Wales)

SThree IP Limited

Report of the Directors for the Year Ended 30 November 2022

The Directors present their report with the unaudited financial statements for SThree IP Limited ('the Company'). For the year ending 30 November 2022 the Company was entitled to the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

A separate Strategic Report has not been prepared as the Company is entitled to the small companies exemption under section 414B of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company for the year under review was to hold the intellectual property of SThree plc Group.

REVIEW OF BUSINESS

Results

The results for the Company show a profit before income tax of £138,000 (2021: £33,000) and turnover of £nil (2021: £nil).

The Directors regard the performance for the year and the financial position at the year end, as stated in the Income Statement and the Statement of Financial Position on pages 5 and 6, as satisfactory.

Key performance indicators ('KPIs')

The Directors of SThree plc manage the Group's operations on a brand and regional basis. For this reason, the Company's Directors believe that analysis using KPIs for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The KPIs of SThree plc are discussed on pages 80 to 83 of SThree plc's Annual Report and Accounts 2022.

Future outlook

The Company will continue to hold the intellectual property and domains for the SThree plc Group.

Going Concern

The Company's financial statements have been prepared on a going concern basis. The Company is part of the larger SThree Group whose business model remains very strong and resilient.

The Company's ultimate holding company, SThree plc, has confirmed that it will continue to provide financial support for the Company to meet its obligations as they fall due for a period of not less than 12 months from the date of signing of the Company's annual financial statements. This financial support will include:

- Not seeking the repayment of amounts advanced to the Company by the Parent and/or other members of the Parent group unless adequate alternative financing has been secured by the Company; and
- Advancing further amounts to the Company as required by the Company.

The Group on behalf of its subsidiaries has undertaken a thorough review of its businesses, customers, suppliers and staff to critically assess the appropriateness of the going concern assumption.

In the assessment of going concern basis of preparation, the Directors of SThree plc considered the future financial performance based on current trading and its growth trajectory, expected operating cash flows, as well as people and capital resources required to implement strategic initiatives in response to identified market opportunities and emerging risks. The Directors of SThree plc also assessed the Group's financial position, including accessible liquidity with committed borrowing facilities, in light of the principal risks, including forecast covenant compliance, as well as the other matters discussed in connection with the viability statement that can be found in the SThree plc Group Annual Report and Accounts 2022.

Based on the current and possible future impact from the macro-economic environment on new placement activity and in turn on the Group's net fees performance, the Directors of SThree plc developed a base case forecast for the review period to the end of Q2 2024. The base case scenario was then sensitised to reflect a severe but plausible downside scenario on Group performance. The key assumptions subject to the sensitivity analysis were a decline in net fees, with a flat cost base, resulting in reduced margins and operating profit.

Going Concern - continued

In the severe but plausible downside scenario, the Group has sufficient liquidity headroom through the whole period covered. This stress test also did not incorporate potential mitigating actions at the Board's disposal to improve the position identified by the analysis, e.g. deferrals of capital expenditure, cash preservation initiatives, suspension of dividends payment and/or share buyback programme, and a number of further reductions in operating expenditure across the Group primarily related to workforce cost reductions.

Through this process the Directors of SThree plc have formed a judgement that the Group will be able to meet its commitments and obligations for at least the next 12 months from the date of approval of this report.

Based on this review, the Directors of the Company confirm that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The Directors of the Company continue to adopt the going concern basis in preparing the financial statements for the year ended 30 November 2022.

Risks

The Company is a part of SThree plc Group. Business performance and principal risks and uncertainties of the Company are integrated with the performance and principal risks of the Group, and are not managed separately. For this reason, the Company's Directors believe that further analysis is not necessary for an understanding of the development, performance, position or risks of the business.

The SThree plc Group's principal risks and uncertainties are discussed in more detail in SThree plc Annual Report and Accounts 2022, on pages 106 to 113.

DIVIDENDS

Dividends of £2,500,000 was paid (2021: £nil) during the year.

DIRECTORS

The Directors who have held office anytime during the year and up to the date of signing this report are shown below:

K Danson

Cavendish Directors Limited

S Anderson (Resigned 6 April 2022)

DIRECTORS' INDEMNITIES

Section 234 of the Companies Act 2006 gives companies the power to extend indemnities to Directors against liability to third parties (excluding criminal and regulatory penalties) and also to pay Directors' legal costs in advance, provided that these are reimbursed to the Company should the individual Director be convicted or, in an action brought by the Company, where judgement is given against the Director.

The Company via SThree plc currently has a directors' and officers' insurance policy in place, which provides this cover. The costs incurred are borne by SThree plc. The policy has been in place for the whole financial year and up to the date of signing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework") in conformity with the requirements of the Companies Act 2006. Under company law, 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 for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and

SThree IP Limited

**Report of the Directors - continued
for the Year Ended 30 November 2022**

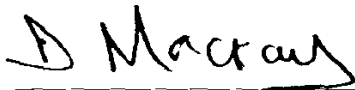
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS - continued

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

ON BEHALF OF THE BOARD:



D Mackay
Director on behalf of Cavendish Directors Limited

27 March 2023

SThree IP Limited**Income Statement
for the Year Ended 30 November 2022**

	Note	2022 £'000	2021 £'000
CONTINUING OPERATIONS			
Other income		<u>77</u>	<u>-</u>
OPERATING PROFIT		<u>77</u>	<u>-</u>
Finance income	4	<u>61</u>	<u>33</u>
PROFIT BEFORE INCOME TAX		<u>138</u>	<u>33</u>
Income tax expense	5	<u>(26)</u>	<u>(6)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>112</u>	<u>27</u>

There are no other comprehensive income or expenses other than those included in the total for the current and prior years and therefore a separate statement of comprehensive income is not presented.

The accompanying notes form an integral part of these financial statements.

SThree IP Limited

**Statement of Financial Position
as at 30 November 2022**

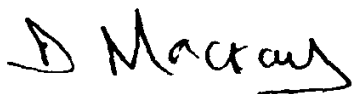
		2022	2021
		£'000	£'000
	Note		
ASSETS			
CURRENT ASSETS			
Debtors	6	<u>373</u>	<u>2,735</u>
TOTAL ASSETS		<u>373</u>	<u>2,735</u>
LIABILITIES			
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	7	<u>41</u>	<u>15</u>
TOTAL LIABILITIES		<u>41</u>	<u>15</u>
NET ASSETS		<u>332</u>	<u>2,720</u>
CAPITAL AND RESERVES			
Retained earnings		<u>332</u>	<u>2,720</u>
TOTAL SHAREHOLDERS' FUNDS		<u>332</u>	<u>2,720</u>

The accompanying notes form an integral part of these financial statements.

For the financial year ended 30 November 2022 the Company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the Company to obtain an audit of its accounts for the year ended 30 November 2022 in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 5 to 11 were approved by the Board of Directors and authorised for issue on 27 March 2023 and were signed on its behalf by:



D Mackay
Director on behalf of Cavendish Directors Limited

Registered number: 3682824

SThree IP Limited

**Statement of Changes in Equity
for the Year Ended 30 November 2022**

	Called up share capital (note 8) £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 1 December 2020	-	2,693	2,693
Profit for the financial year to 30 November 2021	-	27	27
Balance at 30 November 2021	-	2,720	2,720
Profit for the financial year to 30 November 2022		112	112
Dividend paid		(2,500)	(2,500)
Balance at 30 November 2022	-	332	332

The accompanying notes form an integral part of these financial statements.

1 ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101') which allows individual companies in a group to apply UK-adopted international accounting standards recognition and measurement principles, but with exemptions from various disclosures. These financial statements are also in compliance with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101.

SThree plc, ultimate parent undertaking of the Company, prepares the group consolidated financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. Copies of SThree plc consolidated financial statements can be obtained from its Company Secretary at 1st Floor, 75 King William Street, London, EC4N 7BE, United Kingdom.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Cash flow statement,
- Related party transactions between the ultimate parent and wholly owned subsidiaries,
- Management of financial risk disclosures including management of credit, liquidity, and market risk and interest rate sensitivity analysis,
- Disclosures around categories of financial instruments, and
- Disclosures of new but not effective accounting standards and interpretations.

The Company's financial statements have been prepared under the historical cost convention.

The Company's accounting policies, as set out below, have been consistently applied to all the periods presented, unless otherwise stated.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Directors. The Company meets its day-to-day working capital requirements through dividend income and intercompany funding arrangements that are expected to remain in place for the foreseeable future.

The Company's ultimate holding company, SThree plc, has confirmed that it will continue to provide financial support for the Company to meet its obligations as they fall due for a period of not less than 12 months from the date of signing of the Company's annual financial statements. This financial support will include:

- not seeking the repayment of amounts advanced to the Company by the Parent and/or other members of the Parent group unless adequate alternative financing has been secured by the Company; and
- advancing further amounts to the Company as required by the Company.

The Directors have formed a judgement that, at the time of approving the financial statements, there are no material uncertainties that cast doubt on the Company's going concern status. The Directors believe that the Company will *continue to act in line with its principal business activity of holding the intellectual property of SThree plc Group*. For this reason, the Directors have adopted the going concern basis of accounting in preparing these financial statements.

Summary of significant accounting policies

Finance income

Finance income is recognised as the interest accrues to the net carrying amount of the financial asset. Finance cost is recognised in the income statement in the period in which it is incurred.

Income tax

The tax expense comprises both current and deferred tax.

The tax currently payable is based on taxable profits for the year. Taxable profit differs from profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

1 ACCOUNTING POLICIES - continued

Summary of significant accounting policies - continued

Income tax - continued

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (its functional currency). The financial statements of the Company are presented in Sterling which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Debtors

(i) Classification and measurement

(i) At initial recognition

On the date of initial recognition, the Directors assess which business models are applicable to the financial assets held by the Company. The Company classifies its financial assets at amortised cost (it comprises primarily 'Amounts due from the group undertakings').

(ii) At subsequent measurement

The Company manages its financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

The Company assesses on forward looking basis the expected credit losses associated with its financial assets held at amortised cost.

For 'Amounts due from the group undertakings' the general three-stage approach is applied. Credit loss allowance is based on a 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised. The Company applies a probability of default approach to 'Amounts due from the group undertakings' to measure the expected credit losses at each reporting date.

Creditors

Trade and other creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Critical accounting judgements and key sources of estimations uncertainty

The preparation of financial statements in conformity with FRS 101 accounting principles requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The Directors consider that the areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates affect the financial statements, do not substantially impact the results of the Company.

SThree IP Limited

Notes to the Financial Statements - continued for the Year Ended 30 November 2022

2 TURNOVER

The Company recorded nil turnover in the current year (2021: £nil).

3 EMPLOYEES AND DIRECTORS

The Company had no employees at any time during the year (2021: none).

Directors

None of the Directors (2021: none) were remunerated in respect of their services to the Company. The Directors were remunerated by other SThree Group companies. No contributions (2021: £nil) were paid to the Directors' personal pension plans during the year.

4 FINANCE INCOME

	2022 £'000	2021 £'000
Finance income:		
Intercompany interest	<u>61</u>	<u>33</u>

5 INCOME TAX EXPENSE

	2022 £'000	2021 £'000
Analysis of the income tax charge		
Corporation tax charge on profit for the year	<u>26</u>	<u>6</u>
Current tax	<u>26</u>	<u>6</u>
Total tax charge in the Income Statement	<u>26</u>	<u>6</u>

The effective rate of corporation tax for the year is the same as (2021: same as) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%).

The tax payments and receipts with the taxation authorities in the current and prior year are undertaken by the head company in the SThree United Kingdom tax registered group on behalf of the Company. Such amounts are reflected in the amounts receivable from/payable to the related group undertaking.

6 DEBTORS

	2022 £'000	2021 £'000
Amounts due from the group undertakings	<u>373</u>	<u>2,735</u>

Amounts due from fellow SThree Group companies are unsecured, and are subject to annual interest at a rate of 15 basis points in excess of the Group's external borrowing costs under its Revolving Credit Facility.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2022

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Amounts due to the group undertakings	<u>41</u>	<u>15</u>

Amounts due to the group undertakings are payable within one year. Their fair values are not materially different from those disclosed above.

Amounts due to fellow group companies are unsecured, and are subject to annual interest at a rate of 15 basis points in excess of the Group's external borrowing costs under its Revolving Credit Facility.

8 CALLED UP SHARE CAPITAL

Authorised Number:	Class:	Nominal value:	2022	2021
			£'000	£'000
1,000	Ordinary	£1	<u>1</u>	<u>1</u>

Issued Number:	Class:	Nominal value:	2022	2021
			£'000	£'000
2	Ordinary	£1	<u>-</u>	<u>-</u>

9 IMMEDIATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The Company is a wholly-owned subsidiary of STthree plc, a company incorporated and domiciled in England and Wales. STthree plc is the ultimate controlling party and the smallest and the largest group which produces the STthree Group financial statements in which the results of the Company are consolidated. The STthree Group financial statements of STthree plc can be obtained from its Company Secretary at 1st Floor, 75 King William Street, London, EC4N 7BE, United Kingdom.