

STUART DELIVERY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

STUART DELIVERY LIMITED

COMPANY INFORMATION

Directors	Damien Philippe Francis-Xavier Bon David Saenz (resigned 14 May 2021) SRT Group
Registered number	09790251
Registered office	6th Floor 2 London Wall Place London EC2Y 5AU
Independent auditors	MHA MacIntyre Hudson Chartered Accountants London, United Kingdom

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 5
Independent Auditors' Report	6 - 9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Analysis of Net Debt	14
Notes to the Financial Statements	15 - 25

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The directors present the strategic report for the company for the year ended 31 December 2021.

Business review

The principal activity of the company during the year was providing an online platform for couriers and customers to connect.

Turnover for 2021 increased compared with the previous year due to expansion of our delivery capability across the UK. Gross profitability before the deduction of administration expenses has increased on the prior year. A healthy cash balance was carried forward at the end of the period, with continued financial support being extended by SRT Group.

The strategy of the business is to cater for an ongoing demand from its clients and explore additional opportunities which require Stuart Delivery's expertise inside its usual market sectors.

Principal risks and uncertainties

Strong competition, pace of technological innovation failing to meet evolving expectations and a major security breach are the principal risks and uncertainties faced by the business. The business endeavours to provide a quality service with the aim of securing repeat business from customers, whilst also exploring the option of securing further contracts. It is generally risk averse; contract terms and prices are negotiated robustly; rigorous attention is paid to cash flow and credit control is enforced firmly.

Financial key performance indicators

The success of our strategy is measured by the key performance indicators ("KPIs"), as defined below. The selection and definition of KPIs remain consistent with prior years.

Key performance statistics of Stuart Delivery Ltd:

	2021	2020
Turnover	£127.6m	£41.1m
Gross profit %	39.8	31.5

Impact of Covid-19

The COVID-19 pandemic and the quarantine measures introduced by the government have had an impact on our business. However, the online food delivery sector has remained resilient, relative to other sectors. Whilst some restaurants have closed and others have struggled to adapt, many restaurants have remained open for pick-up and delivery and our business continues to grow.

During the COVID-19 pandemic, Stuart Delivery has reiterated its commitment to supporting its customers, couriers, and people. We introduced contact-free delivery for all orders across our network to ensure customers receive their food deliveries safely.

STUART DELIVERY LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Damien Philippe Francis-Xavier Bon
Director

Date: 21 December 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company during the year was providing an online platform for couriers and customers to connect.

Results and dividends

The profit for the year, after taxation, amounted to £20,978,556 (2020 - loss £7,339,005).

Directors

The directors who served during the year were:

Damien Philippe Francis-Xavier Bon
David Saenz (resigned 14 May 2021)
SRT Group

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Future developments

Towards the end of 2021 the company leased a new warehouse to commence a new Hub2Home stream of income for the business. This we believe will strengthen the offerings in the market place and provide a good standing to expand on its customer base.

Results after the balance sheet date including cash flow, sales and profit forecasts are in line with our expectations.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 requires Stuart Delivery Limited to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings where operational control is held - this includes electricity, heat, water and recycling.

The table below details the regulated SECR energy and GHG emission sources for the current reporting period 1 January 2021 to 31 December 2021.

	2021 (Kwh)	2020 (Kwh)
Electricity	95,628	61,189
Gas	6,461	8,677
	<u>102,089</u>	<u>69,866</u>

	2021 (Kg of CO2)	2020 (Kg of CO2)
Recycling (various streams)	4,023	1,629
Anaerobic digestion	1,268	295
Waste to energy	2,113	2,663
	<u>7,404</u>	<u>4,587</u>

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Stuart Delivery Limited is committed to reducing its environmental impact and contribution to climate change.

The Company utilises serviced office space so our gas and electric usage is allocated based on the total number of desks in the residency agreement in order to fairly apportion the energy consumption in communal areas, including heating the building and kitchen facilities.

The Company does not use heavy or large machinery or equipment that use significant amounts of gas or electricity.

The Company uses self-employed drivers for its day-to-day business operations and as a result does not include their emissions data in this report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Impact of Covid 19

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has not had a significant impact on the company's operations. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of future cashflows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Damien Philippe Francis-Xavier Bon
Director

Date: 21 December 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STUART DELIVERY LIMITED

Opinion

We have audited the financial statements of Stuart Delivery Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STUART DELIVERY LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STUART DELIVERY LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and review of accounting estimates for bias;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations;
- Discussing among the engagement team regarding how and where fraud might occur.

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

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 Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STUART DELIVERY LIMITED (CONTINUED)

Use of our report

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

Stephen Poleykett BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants and Statutory Auditors

London, United Kingdom

Date: 21 December 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021 £	2020 £
Turnover	4	127,627,528	41,144,142
Cost of sales		(76,865,328)	(28,195,148)
Gross profit		50,762,200	12,948,994
Administrative expenses		(30,746,707)	(20,287,999)
Operating profit/(loss)	5	20,015,493	(7,339,005)
Tax on profit/(loss)	9	963,063	-
Profit/(loss) for the financial year		<u>20,978,556</u>	<u>(7,339,005)</u>

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 15 to 25 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	513,670	287,949
		<u>513,670</u>	<u>287,949</u>
Current assets			
Debtors: amounts falling due within one year	11	37,951,873	23,799,054
Cash at bank and in hand	12	13,771,168	7,012,540
		<u>51,723,041</u>	<u>30,811,594</u>
Creditors: amounts falling due within one year	13	(55,443,825)	(55,285,213)
Net current liabilities		<u>(3,720,784)</u>	<u>(24,473,619)</u>
Total assets less current liabilities		<u>(3,207,114)</u>	<u>(24,185,670)</u>
Net liabilities		<u>(3,207,114)</u>	<u>(24,185,670)</u>
Capital and reserves			
Called up share capital		1,000,020	1,000,020
Profit and loss account		(4,207,134)	(25,185,690)
		<u>(3,207,114)</u>	<u>(24,185,670)</u>

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

Damien Philippe Francis-Xavier Bon
Director

Date: 21 December 2022

The notes on pages 15 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	1,000,020	(17,846,685)	(16,846,665)
Comprehensive income for the year			
Loss for the year	-	(7,339,005)	(7,339,005)
At 1 January 2021	1,000,020	(25,185,690)	(24,185,670)
Comprehensive income for the year			
Profit for the year	-	20,978,556	20,978,556
At 31 December 2021	<u>1,000,020</u>	<u>(4,207,134)</u>	<u>(3,207,114)</u>

The notes on pages 15 to 25 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	20,978,556	(7,339,005)
Adjustments for:		
Depreciation of tangible assets	103,522	41,931
Taxation charge	(963,063)	-
(Increase) in debtors	(11,735,403)	(17,566,678)
Increase in creditors	3,636,587	6,544,680
(Decrease)/increase in amounts owed to groups	(9,619,549)	23,395,227
Increase in provisions	4,687,221	-
Net cash generated from operating activities	<u>7,087,871</u>	<u>5,076,155</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(329,243)	(256,769)
Net cash from investing activities	<u>(329,243)</u>	<u>(256,769)</u>
Net increase in cash and cash equivalents	<u>6,758,628</u>	4,819,386
Cash and cash equivalents at beginning of year	<u>7,012,540</u>	2,193,154
Cash and cash equivalents at the end of year	<u><u>13,771,168</u></u>	<u><u>7,012,540</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>13,771,168</u>	7,012,540
	<u><u>13,771,168</u></u>	<u><u>7,012,540</u></u>

The notes on pages 15 to 25 form part of these financial statements.

STUART DELIVERY LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	7,012,540	6,758,628	13,771,168
Debt due within 1 year	46,365,212	(9,619,549)	36,745,663
	<u>53,377,752</u>	<u>(2,860,921)</u>	<u>50,516,831</u>

The notes on pages 15 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Stuart Delivery Limited is a private company, limited by shares, incorporated in England and Wales, registration number 09790251. The registered office is 6th Floor, 2 London Wall Place, London, United Kingdom, EC2Y 5AU.

The principal activity of the company during the year has continued to be the provision of an online platform for couriers and customers to connect.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in £ sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

The company generated a substantial profit for the year. At 31 December 2021 the company's liabilities exceeded the assets by £3,207,114 (2020: £24,185,670). The directors have considered it to be appropriate to prepare the accounts on a going concern basis following confirmation from the company's parent, GeoPost SA, that they will continue to offer financial support to the company for the foreseeable future, or for at least a period of two years from the date of approval of the financial statements.

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has not had a significant impact on the company's operations. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of future cashflows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Pensions

Defined contribution pension plan

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	
Office equipment	-	25%
		Straight Line

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.10 Royalties

Royalties payable are included in direct expenses when the company has an obligation as a result of sales.

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

In the application of the company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future financial statements.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Trade Debtors

Judgements have been made in relation to the recoverability of trade debtors. The directors have concluded that the amounts are recoverable.

Fixed Assets

Judgements have been made in relation to the lives of tangible assets in particular the useful economic life and residual values of fixtures and fittings. The directors have concluded that the asset values and residual values are appropriate.

Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit and a reliable estimate can be made of the amount of the obligation. The directors have concluded that all provisions made are appropriate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Turnover

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

	2021 £	2020 £
Sales	127,627,528	41,144,142
	<u>127,627,528</u>	<u>41,144,142</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	127,627,528	41,144,142
	<u>127,627,528</u>	<u>41,144,142</u>

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	103,522	41,931
Exchange differences	(2,677,939)	1,447,398
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>25,500</u>	<u>17,750</u>

6. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £ (2020 -).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Employees

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

	2021 £	2020 £
Wages and salaries	73,316,482	31,630,309
Social security costs	883,145	743,115
Defined benefit pension scheme	206,327	115,393
	<u>74,405,954</u>	<u>32,488,817</u>

The average monthly number of employees, including directors, during the year was 160 (2020 - 97).

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	94,687	2,234,453
Company contributions to defined contribution pension schemes	6,749	-
	<u>101,436</u>	<u>2,234,453</u>

During the year retirement benefits were accruing to one director (2020 - two) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £94,687 (2020 - £2,234,453).

The key management operators of the company are the directors and their remuneration is noted above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	1,454,353	-
	<u>1,454,353</u>	<u>-</u>
Total current tax	<u>1,454,353</u>	<u>-</u>
Deferred tax		
Unrelieved tax losses carried forward	(2,414,205)	-
Short term timing differences	(91,133)	-
Fixed asset timing differences	87,922	-
Total deferred tax	<u>(2,417,416)</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(963,063)</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>20,015,493</u>	<u>(7,339,005)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	3,802,944	(1,394,411)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	41,606	801
Capital allowances for year in excess of depreciation	(80,188)	(51,179)
Utilisation of tax losses	(2,404,353)	-
Short term timing difference leading to an increase (decrease) in taxation	91,133	10,006
Unrelieved tax losses carried forward	-	1,434,783
Deferred tax asset recognised in respect of losses carried forward	(2,414,205)	-
Total tax charge for the year	<u>(963,063)</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Taxation (continued)**Factors that may affect future tax charges**

Deferred tax on losses has been provided at 19%, given that losses are expected to be utilised before the tax rate rises to 25%.

10. Tangible fixed assets

	Short-term leasehold property £	Office equipment £	Total £
Cost or valuation			
At 1 January 2021	-	381,170	381,170
Additions	43,964	285,279	329,243
At 31 December 2021	43,964	666,449	710,413
Depreciation			
At 1 January 2021	-	93,221	93,221
Charge for the year	-	103,522	103,522
At 31 December 2021	-	196,743	196,743
Net book value			
At 31 December 2021	43,964	469,706	513,670
At 31 December 2020	-	287,949	287,949

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Short leasehold	43,964	-
	43,964	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Debtors

	2021 £	2020 £
Trade debtors	28,634,825	20,164,753
Other debtors	602,524	81,012
Called up share capital not paid	500,020	500,020
Prepayments and accrued income	5,797,088	3,053,269
Deferred taxation	2,417,416	-
	<u>37,951,873</u>	<u>23,799,054</u>

Deferred taxation of £2,102,404 (see note 16) is due after more than one year.

12. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	13,771,168	7,012,540
	<u>13,771,168</u>	<u>7,012,540</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	451,969	875,099
Amounts owed to group undertakings	36,745,663	46,365,212
Corporation tax	1,454,353	-
Other taxation and social security	4,695,167	3,607,304
Other creditors	1,110,881	593,196
Accruals and deferred income	10,985,792	3,844,402
	<u>55,443,825</u>	<u>55,285,213</u>

The loans from group undertakings are unsecured, interest free and repayable on demand.

Accruals includes £4,687,221 in relation to the Company's obligations in respect of legal claims up to 31 December 2021, of on-slot workers who were entitled to payments due to classification as workers. The accrual includes the Company's liability for holiday pay and pensions and related legal costs. The settlement is due on 27 December 2022. The accrual is included in administration expenses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Share Capital

Share capital of £1,000,020 includes 43,997 A ordinary shares of £0.0001 each and 160,903 B shares of £0.0001 each. The A and B shares were issued as part of an employee stock plan that commenced in 2018 and carry no voting rights.

15. Parent Company

The name of the parent company of the smallest group of undertakings for which group accounts are drawn up of which the company is a member is SRT Group, whose registered office is 8 Avenue des Ternes, 75017, Paris, France, from which group accounts are available to the public.

16. Deferred taxation

	2021 £
Credited to profit or loss	2,417,416
At end of year	2,417,416

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(87,922)	-
Tax losses carried forward	2,414,205	-
Other short term timing differences	91,133	-
	<u>2,417,416</u>	<u>-</u>

17. Pension commitments

The company operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the Company to the fund and amounted to £206,327 (2020: £115,393). Contributions totalling £67,529 (2020: £67,490) were payable to the fund at the balance sheet date.

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