

LOD SYKE Services Limited

Directors' Report and Financial Statements

Year Ended

30 April 2023

Company Number 10041266



LOD SYKE Services Limited

Company Information

Directors	M F Flanagan S J Harper L G N Lane A J Maiden
Company secretary	J A Prell
Registered number	10041266
Registered office	St Magnus House 3 Lower Thames Street London EC3R 6HE
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

LOD SYKE Services Limited

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LOD SYKE Services Limited

Directors' Report For the Year Ended 30 April 2023

The Directors present their report and the financial statements for the year ended 30 April 2023.

On 23 May 2022, the Company changed its name from Spoke Law Limited to LOD SYKE Services Limited.

Principal activity

The principal activity of the Company is that of the supply of staff to Group entities.

Results and dividends

The loss for the year, after taxation, amounted to £229,000 (2022 - £13,000).

The Directors do not recommend the payment of a dividend (2022 - £Nil).

Directors

The Directors who served during the year were:

S J Harper
A T Hartley (resigned 5 December 2022)
A J Maiden (appointed 5 December 2022)
S Murray (appointed 5 December 2022, resigned 19 July 2023)

Directors' responsibilities statement

The Directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

Going concern

The Directors are confident that the Company will be able to continue to trade and has adequate resources to continue to operate for a period of at least twelve months from the date of approval of these financial statements. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

LOD SYKE Services Limited

Directors' Report (continued) For the Year Ended 30 April 2023

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.


Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 December 2023 and signed on its behalf.

DocuSigned by:

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S J Harper
Director

LOD SYKE Services Limited

Independent Auditor's Report to the Members of LOD SYKE Services Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 April 2023 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of LOD SYKE Services Limited (the 'Company') for the year ended 30 April 2023 which comprise the statement of comprehensive income, statement of financial position, and notes to the financial statements, 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).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

LOD SYKE Services Limited

Independent Auditor's Report to the Members of LOD SYKE Services Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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

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

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 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; or
- the Directors' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report.

Responsibilities of Directors

As explained more fully in the Directors' report, 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.

LOD SYKE Services Limited

Independent Auditor's Report to the Members of LOD SYKE Services Limited (continued)

Auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006 and relevant tax compliance legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law and general data protection regulations.

- Our procedures in respect of the above included:
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the area's most susceptible to fraud to be the potential for management to override controls.

LOD SYKE Services Limited

Independent Auditor's Report to the Members of LOD SYKE Services Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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.

DocuSigned by:

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Tim Neathercoat (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 20 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

LOD SYKE Services Limited

Statement of Comprehensive Income For the Year Ended 30 April 2023

	2023 £000	2022 £000
Turnover	1,532	173
Gross profit	1,532	173
Administrative expenses	(1,761)	(186)
Operating loss and loss before tax	(229)	(13)
Tax on loss	-	-
Loss for the financial year	(229)	(13)

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 9 to 14 form part of these financial statements.

LOD SYKE Services Limited

Registered number: 10041266


**Statement of Financial Position
As at 30 April 2023**

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Intangible assets	5		-		-
Current assets					
Debtors: amounts falling due within one year	6	320		99	
Cash at bank and in hand		597		140	
		<u>917</u>		<u>239</u>	
Current liabilities					
Creditors: amounts falling due within one year	7	(1,975)		(1,068)	
Net current liabilities			(1,058)		(829)
Net liabilities			<u>(1,058)</u>		<u>(829)</u>
Capital and reserves					
Called up share capital			-		-
Profit and loss account			(1,058)		(829)
			<u>(1,058)</u>		<u>(829)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

20 December 2023

DocuSigned by:

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S J Harper
Director

The notes on pages 9 to 14 form part of these financial statements.

LOD SYKE Services Limited

Notes to the Financial Statements For the Year Ended 30 April 2023

1. General information

LOD SYKE Services Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of its registered office is given on the Company Information page.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the directors have considered the group's operations and principal risks and uncertainties as detailed in the Directors' Report.

The Directors have considered the impact of the current economic climate on the Surf (Topco) Group ("the Group") and Company's financial performance, operations, and cash flows for the next 12 months, noting the repayment of all external bank loans following completion of the Transaction as explained in the Directors' Report.

Trading continues to be actively monitored in order to be able to respond quickly to market conditions and ensure costs remain at an appropriate level. In addition, the Group maintains a robust liquidity position. As at 30 April 2023 the Group has cash reserves of £12.8m (2022 - £17.5m).

As discussed in note 9, on 31 August 2023 the entire issued ordinary share capital of the ultimate parent company was acquired by Consilio Global UK Limited, a company registered in England and Wales, whose ultimate parent Company is Skopima Topco Holdings LP (the "Transaction").

As part of the Transaction the total outstanding bank loans and accrued interest were settled in full, in cash, with financing having been provided to the Group in the form of intercompany loans made by Consilio Global UK Limited. Further the loan notes outstanding were also fully settled in cash with funding being provided to the Group in the form of an intercompany loan from Consilio Global UK Limited. The intercompany loans are secured on the assets of the Group, are subject to interest at 8.75% per annum and repayable on demand.

For the sole purpose of demonstrating the financial strength of the Group, a sensitivity analysis has been conducted, including significant reductions to the EBITDA forecast over the next 12 months. The results show that the Group is able to maintain sufficient profitability and cash headroom under extreme circumstances. The Directors consider the likelihood of these scenarios to be remote since current trading is performing in line with the forecast and the business continues to deliver services to its financially secure client base.

LOD SYKE Services Limited

Notes to the Financial Statements For the Year Ended 30 April 2023

2. Accounting policies (continued)

2.2 Going concern (continued)

The Directors have received a letter of support from the Consilio Group confirming that it will not seek repayment of amounts due from the Group for a period of not less than 12 months following approval of these financial statements.

Based on this assessment, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, consequently, continue to adopt the going concern basis of accounting in preparing these annual financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation 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 the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

2.4 Turnover

Turnover represents payroll costs recharged to a fellow group company. Turnover is recognised at the point the services are provided.

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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

LOD SYKE Services Limited

Notes to the Financial Statements For the Year Ended 30 April 2023

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

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

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

LOD SYKE Services Limited

Notes to the Financial Statements For the Year Ended 30 April 2023

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

The preparation of financial statements in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In preparing these financial statements the Directors have not been required to make any significant judgements, estimates or assumptions.

4. Employees

The average monthly number of employees, including directors, during the year was 44 (2022 - 28).

5. Intangible assets

	Intellectual property £000
At 1 May 2022	100
Disposals	(100)
At 30 April 2023	-
Amortisation and impairment	
At 1 May 2022	100
On disposals	(100)
At 30 April 2023	-
Net book value	
At 30 April 2023	-
At 30 April 2022	-

LOD SYKE Services Limited

Notes to the Financial Statements For the Year Ended 30 April 2023

6. Debtors: amounts falling due within one year

	2023 £000	2022 £000
Amounts owed by group undertakings	320	99
Other debtors	-	-
	<u>320</u>	<u>99</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

7. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Amounts owed to group undertakings	1,920	964
Other taxation and social security	41	47
Other creditors	-	54
Accruals and deferred income	14	3
	<u>1,975</u>	<u>1,068</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

8. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £2,000 (2022 - £Nil). Contributions totalling £Nil (2022 - £Nil) were payable to the fund at the balance sheet date and are included within creditors.

9. Post balance sheet events

On 31 August 2023 the entire issued ordinary share capital of the the ultimate parent company Surf (Topco) Limited was acquired by Consilio Global UK Limited, a company registered in England and Wales, whose ultimate parent is Skopima Topco Holdings LP.

The operations of the Company and its parent group have remained unchanged following the acquisition.

LOD SYKE Services Limited

Notes to the Financial Statements For the Year Ended 30 April 2023

10. Controlling party

The Company's parent company is LOD Global Limited. The Company was ultimately controlled by funds managed by Bowmark Capital LLP, a limited liability partnership registered in England and Wales as at 30 April 2023 to 31 August 2023.

From 31 August 2023 the ultimate controlling party is Skopima Topco Holdings LP, an entity registered in the USA.

The largest and smallest group in which the results of the Company are consolidated is that headed by Surf (Topco) Limited, incorporated in Jersey. The consolidated financial statements of Surf (Topco) Limited can be obtained from its registered office, being 22 Grenville Street, St Helier, Jersey, JE4 8PX.