

Registered number: 11740244 (England and Wales)

**Annual Report and
Unaudited Financial Statements for the Period Ended 30 November 2022
for
SThree Dollar UK Limited**



SThree Dollar UK Limited

Contents

	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 Dollar UK Limited

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

DIRECTORS:	David Mackay Cavendish Directors Limited
COMPANY SECRETARY:	Cavendish Directors Limited
REGISTERED OFFICE:	1st Floor 75 King William Street London EC4N 7BE United Kingdom
REGISTERED NUMBER:	11740244 (England and Wales)

SThree Dollar UK Limited

Report of the Directors for the Year Ended 30 November 2022

The Directors present their report with the unaudited financial statements of SThree Dollar UK Limited ('the Company'). For the year ended 30 November 2022, the Company was entitled to 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.

INCORPORATION

SThree Dollar UK Limited is a private limited company and is registered, incorporated and domiciled in England. The Company was incorporated on 24 December 2018. The functional and presentation currency is USD.

PRINCIPAL ACTIVITIES

The principal activity of the Company for the period under review was that of the provision of finance and treasury services to members of the SThree Group.

Results

The results for the Company show a profit before income tax of \$3,640,000 for the year ended 30 November 2022 (2021: \$3,640,000). The financial position of the Company at the end of the year is given in the Statement of Financial Position on page 6.

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.

Future outlook

The Company is expected to continue to operate as part of the SThree plc Group companies in 2023.

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.

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.

Going Concern - continued

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

Dividend amounting to \$11,500,000 was declared and 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: David Mackay and Cavendish Directors Limited.

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 judgment 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", and applicable law). 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
- 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.

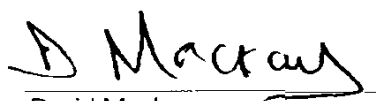
SThree Dollar UK Limited

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

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

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:

A handwritten signature in black ink, appearing to read 'D Mackay', is written over a horizontal line.

David Mackay
Director
27 March 2023

SThree Dollar UK Limited

**Income Statement
for the Year Ended 30 November 2022**

	Note	2022 \$'000	2021 \$'000
CONTINUING OPERATIONS			
Finance income	3	<u>3,640</u>	<u>3,640</u>
PROFIT BEFORE INCOME TAX		3,640	3,640
Income tax charge	4	<u>(691)</u>	<u>(692)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,949</u>	<u>2,948</u>

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

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

SThree Dollar UK Limited

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

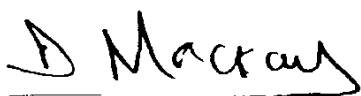
	Note	2022 \$'000	2021 \$'000
ASSETS			
CURRENT ASSETS			
Debtors	5	67,407	75,267
LIABILITIES			
Current tax liabilities		1,844	1,153
NET CURRENT ASSETS		65,563	74,114
CAPITAL AND RESERVES			
Called up share capital	6	-	-
Share premium account		65,000	65,000
Retained earnings		563	9,114
TOTAL SHAREHOLDERS' FUNDS		65,563	74,114

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:



David Mackay
Director

Registered number: 11740244 (England and Wales)

SThree Dollar UK Limited

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

	Called up share capital (note 6) \$'000	Share premium account \$'000	Retained earnings \$'000	Total shareholders' funds \$'000
Balance at 1 December 2020	-	65,000	6,166	71,166
Profit for the financial year	-	-	2,948	2,948
Balance at 30 November 2021	-	65,000	9,114	74,114
Profit for the financial year	-	-	2,949	2,949
Dividend paid	-	-	(11,500)	(11,500)
Balance at 30 November 2022	-	65,000	563	65,563

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, the 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,
- Strategic report,
- 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.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires the Directors 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 judgement or complexity, or areas where assumptions and estimates affect the financial statements, do not substantially impact the results.

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 that of the provision of finance and treasury services to members of the SThree Group. For this reason, the Directors have adopted the going concern basis of accounting in preparing these financial statements.

1 ACCOUNTING POLICIES - continued

Summary of significant accounting policies

Finance income and costs

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.

Taxation

Corporation tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profits for the period. 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 periods 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 date.

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.

Debtors

Financial assets

(i) Classification and measurement

(a) 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 (normally it comprises primarily 'Amounts due from the group undertakings' and 'Cash and cash equivalents'). The Company reclassifies financial assets when and only when its business model for managing those assets changes.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) At subsequent measurement

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company manages these group of 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. Typically, the Company has two types of financial assets that are subject to IFRS 9's expected credit loss model: 'Amounts due from the group undertakings' and 'Cash and cash equivalents'.

For 'Amounts due from the group undertakings' and 'Cash and cash equivalents', 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' and 'Cash and cash equivalents' to measure the expected credit losses at each reporting date.

SThree Dollar UK Limited

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

2 EMPLOYEES AND DIRECTORS

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

Directors

None of the Directors received or waived any emoluments from the Company in respect of their services to the Company (2021: none). The Directors were remunerated by other group companies with no recharge to the Company. No contributions were paid to the Directors' personal pension plans during the year (2021: \$nil).

3 FINANCE INCOME

	2022 \$'000	2021 \$'000
Finance income:		
Intercompany interest	3,640	3,640

4 INCOME TAX CHARGE

	2022 \$'000	2021 \$'000
Analysis of the tax charge		
Current tax charge	692	692
Adjustments in respect of prior periods	(1)	-
Total current tax charge	691	692

Factors affecting tax charge

The effective rate of corporation tax for the period is lower (2021: the same as) than the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). It is explained below:

	2022 \$'000	2021 \$'000
Profit before income tax	3,640	3,640
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 19.00%	692	692
Effects of:		
Adjustments in respect of prior periods	(1)	-
Total tax charge	691	692

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

5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	\$'000	\$'000
Amounts due from the group undertakings	<u>67,407</u>	<u>75,267</u>

All amounts detailed above are payable within one year. The fair values of debtors are not materially different from those disclosed above.

Amounts due from the group undertakings 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.

6 CALLED UP SHARE CAPITAL

Authorised Number:	Class:	Nominal value:	2022	2021
			\$'000	\$'000
2 (2021: 2)	Ordinary	\$2	<u>-</u>	<u>-</u>

Issued Number:	Class:	Nominal value:	2022	2021
			\$'000	\$'000
2 (2021: 2)	Ordinary	\$2	<u>-</u>	<u>-</u>

7 IMMEDIATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

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