

Registered number: 02413680

STANLEY DAVIS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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STANLEY DAVIS GROUP LIMITED

COMPANY INFORMATION

Directors	T Durbin St George A F Burch (Appointed 7 December 2022)
Registered number	02413680
Registered office	Lower Ground Floor One George Yard London EC3V 9DF
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS

STANLEY DAVIS GROUP LIMITED

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STANLEY DAVIS GROUP LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Business review

The Company is an innovative technology company that operates under the tradename Stanley Davis Group Limited. The principal activity of the Company is providing cloud-based e-service software applications and other related services to the legal, accounting and financial services industries as well as consumers.

The Director is satisfied with the performance of the Company in this period of trading.

Principal risks and uncertainties

Credit Risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk in the event of non-performance by clients, but does not anticipate any such non-performance which would be material. To the extent necessary, the Company takes steps to monitor the credit risk of clients.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company was exposed to interest rate risk under previous bank loans and financing agreements. The Company is not exposed to interest rate risk at 30 June 2022.

Market Risk

The Company is exposed to market risk primarily in terms of revenue generation. The Company's revenue is driven by transaction volumes which have historically increased with the growth and strength of the United Kingdom economy. The Company monitors the market conditions in an effort to capture fluctuations that may affect the ongoing revenue.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's cash resources are managed based on financial forecasts and anticipated cash flows. Contractual maturities such as accounts payable and accrued liabilities are exposed to liquidity risk.

Foreign exchange risk

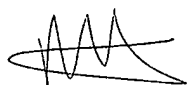
Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's net investments in foreign subsidiaries.

Financial key performance indicators

The director has identified turnover and profit before tax as the major KPI's of the Group.

- Turnover for the year was £1,563,918 (2021: £3,221,799) a decrease of 51.46% on the prior year.
- Loss before tax for the year was £249,335 (2021: £263,113 profit).

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



T Durbin St George
Director
Date: 26 June 2023

STANLEY DAVIS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report and the financial statements for the year ended 30 June 2022.

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 101 'Reduced Disclosure Framework'. 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;
- 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 is providing cloud-based e-service software applications and other related services to the legal, accounting and financial services industries as well as consumers.

Results and dividends

The loss for the year, after taxation, amounted to £249,335 (2021 - profit £195,457).

There were no dividends paid in the year (2021 - £Nil).

Director

The director who served during the year was:

T Durbin St George

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for directors of Stanley Davis Group Limited.

Matters covered in the strategic report

The financial review and principal risks and uncertainties is detailed in the Strategic Report as required by the Companies Act 2006 S414C (11).

STANLEY DAVIS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

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.

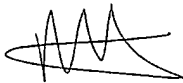
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Armstrong Watson Audit Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 26 June 2023 and signed on its behalf.



T Durbin St George
Director

STANLEY DAVIS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY DAVIS GROUP LIMITED

Opinion

We have audited the financial statements of Stanley Davis Group Limited (the 'Company') for the year ended 30 June 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 101 'Reduced Disclosure Framework' (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 30 June 2022 and of its loss 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.

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.

STANLEY DAVIS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY DAVIS GROUP LIMITED (CONTINUED)

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 2, 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.

STANLEY DAVIS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY DAVIS GROUP 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the property sector;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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

STANLEY DAVIS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY DAVIS GROUP LIMITED (CONTINUED)

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.

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.



Matthew Osbourne (Jun 27, 2023 12:06 GMT+1)

Matthew Osbourne, Senior Statutory Auditor

For and on behalf of
Armstrong Watson Audit Limited
Leeds
Date:

26 June 2023

STANLEY DAVIS GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 £	2021 £
Revenue	4	1,563,918	3,221,799
Cost of sales		(162,931)	(458,640)
Gross profit		1,400,987	2,763,159
Administrative expenses		(1,596,716)	(2,564,753)
Other operating income	5	-	134,055
Operating (loss)/profit	6	(195,729)	332,461
Interest receivable and similar income	9	6	2,970
Interest payable and similar expenses		(53,612)	(72,318)
(Loss)/profit before tax		(249,335)	263,113
Tax on (loss)/profit	10	-	(67,656)
(Loss)/profit for the financial year		(249,335)	195,457

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 or 2020.

The notes on pages 12 to 25 form part of these financial statements.

STANLEY DAVIS GROUP LIMITED
REGISTERED NUMBER: 02413680

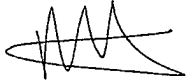
BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Goodwill	11	762,485	762,485
Tangible assets	12	521,518	720,556
Investments	13	214,300	4,934,703
		<u>1,498,303</u>	<u>6,417,744</u>
Current assets			
Stocks	14	2,220	6,200
Debtors: amounts falling due within one year	15	10,117,734	5,074,888
Cash at bank and in hand	16	85,911	315,667
		<u>10,205,865</u>	<u>5,396,755</u>
Creditors: amounts falling due within one year	17	(6,487,444)	(6,387,895)
Net current assets/(liabilities)		<u>3,718,421</u>	<u>(991,140)</u>
Total assets less current liabilities		<u>5,216,724</u>	<u>5,426,604</u>
Creditors: amounts falling due after more than one year	18	(370,679)	(331,224)
		<u>4,846,045</u>	<u>5,095,380</u>
Net assets		<u><u>4,846,045</u></u>	<u><u>5,095,380</u></u>
Capital and reserves			
Called up share capital	20	6,218	6,218
Share premium account		2,794,098	2,794,098
Profit and loss account		2,045,729	2,295,064
		<u><u>4,846,045</u></u>	<u><u>5,095,380</u></u>

STANLEY DAVIS GROUP LIMITED
REGISTERED NUMBER: 02413680

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2023.



T Durbin St George
Director

The notes on pages 12 to 25 form part of these financial statements.

STANLEY DAVIS GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2021	6,218	2,794,098	2,295,064	5,095,380
Comprehensive income for the year				
Loss for the year	-	-	(249,335)	(249,335)
At 30 June 2022	6,218	2,794,098	2,045,729	4,846,045

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2020	6,218	2,794,098	2,099,607	4,899,923
Comprehensive income for the year				
Profit for the year	-	-	195,457	195,457
At 30 June 2021	6,218	2,794,098	2,295,064	5,095,380

The notes on pages 12 to 25 form part of these financial statements.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. General information

Stanley Davis Group Limited is incorporated and domiciled in England & Wales under the Companies Act and is a tax resident in the United Kingdom. The Company's registered head office is located at One George Yard, London, United Kingdom, EC3V 9DF.

The principal activity of the Company is providing cloud-based e-service software applications and other related services to the legal, accounting and financial services industries as well as consumers.

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 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 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.3 Going concern

The director is confident that the Company will continue in operational existence for the foreseeable future, which has been confirmed by the support of the group's parent undertaking for a minimum period of 12 months from the date of signing these financial statements. The director is confident that the Company can continue to meet its obligations as they fall due. The director therefore considers it appropriate to continue to apply the going concern basis for preparing the financial statements.

2.4 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.

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 profit or loss within 'other operating income'.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.5 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:

Revenue from contracts with customers

Revenue is recognised when, or as control, of the promised good or service is transferred to the customer. The Company's revenue primarily comprises of revenue from highly reoccurring transaction fees earned through charging customers for the use of the Company's cloud-based e-service software applications and by providing services to the customers.

The Company contracts with its customers for the use of its cloud-based e-service software applications and services, and each transaction undertaken is generally a performance obligation. The Company has concluded that revenue should be recognised at the point in time when control of the promised good or service is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. As such these transactions fees are recognised upon completion of each respective transaction.

Deferred revenue, classified as contract liabilities under International Financial Reporting Standards ("IFRS") 15, relates to payments received in advance of performance under contracts with customers. Contract liabilities are recognised as (or when) the Company satisfies its performance obligation under the contracts.

2.6 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is included in 'Creditors' on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.6 Leases (continued)

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Taxation

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 reporting date in the countries where the Company operates and generates income.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.11 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the Company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the director, would be misleading.

2.12 Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.13 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.

The estimated useful-lives range as follows:

Leasehold improvements	- 20%
Fixtures and fittings	- 20%
Right-of-use assets	- Remaining term of the lease

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.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

STANLEY DAVIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value.

2.16 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.

2.17 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.

2.18 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The Company bases its estimates on historical experience as well as various other assumptions that are believed to be reasonable under the circumstances at the time. Under different assumptions or conditions, the actual results would differ, potentially materially, from those previously estimated. Many of the conditions impacting these assumptions are recognised in the period in which the estimates are revised and will be recorded with corresponding impact on net income.

Significant assumptions about the future and other sources of estimation uncertainty that management has made, relate to, but are not limited to the following:

Goodwill - The Company performs asset impairment assessments for goodwill on an annual basis or on a more frequent basis when circumstances indicate impairment may have occurred.

Goodwill is allocated to a CGU or group of CGUs for the purposes of impairment testing based on the level at which senior management monitors it, which is not larger than an operating segment. The testing for impairment of either an intangible asset or goodwill is to compare to recoverable amount of the asset, CGU or group of CGUs to the carrying amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the asset is assessed as part of the CGU or group of CGUs to which it belongs. The recoverable amount calculations use a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Changes in certain assumptions could result in an impairment loss being charged in future periods.

Investments - The Company performs asset impairment assessments for investments on an annual basis or on a more frequent basis when circumstances indicate impairment may have occurred.

Investments relate to a CGU or a group of CGUs for the purposes of impairment testing based on the level at which senior management monitors it, which is not larger than an operating segment. The testing for impairment of an investment is to compare the recoverable amount of the asset to the carrying amount. The recoverable amount is determined for an individual asset. The recoverable amount calculations use a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Changes in certain assumptions could result in an impairment loss being charged in future periods.

4. Turnover

The whole of the turnover is attributable to the one principal activity of the company.

	2022 £	2021 £
United Kingdom	1,392,395	2,780,996
Outside United Kingdom	171,523	440,803
	<u>1,563,918</u>	<u>3,221,799</u>

STANLEY DAVIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

5. Other operating income

	2022	2021
	£	£
Job retention scheme grant	-	134,055
	<u>-</u>	<u>134,055</u>

6. Operating (loss)/profit

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

	2022	2021
	£	£
Auditors' remuneration:		
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	-	13,250
Depreciation of tangible fixed assets	255,024	33,619
Amortisation	-	179,929
Difference on foreign exchange	(17,339)	2,114
Defined pension contributions	25,005	40,287
	<u>255,024</u>	<u>33,619</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2022	2021
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	14,300	13,250

STANLEY DAVIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

8. Employees

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	654,313	1,190,965
Social security costs	37,845	220,026
Defined pension contributions	25,005	40,287
	717,163	1,451,278

The average monthly number of employees, including the directors, during the year was as follows:

2022	2021
No.	No.
30	71

9. Interest receivable

	2022	2021
	£	£
Other interest receivable	6	2,970
	6	2,970

10. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	-	84,110
	-	84,110
Total current tax	-	84,110
Deferred tax		
Origination and reversal of timing differences	-	(16,454)
Total deferred tax	-	(16,454)
Taxation on profit on ordinary activities	-	67,656

STANLEY DAVIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	(249,335)	263,113
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(47,374)	49,991
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(12,173)	6,132
Capital allowances for year in excess of depreciation	(4,344)	6,286
Utilisation of tax losses	63,891	-
Other timing differences leading to an increase (decrease) in taxation	-	5,247
Total tax charge for the year	-	67,656

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% was announced in the 2021 budget, this is scheduled to take effect from April 2023. The rate for small profits under £50,000 will remain at 19%, and there will be taper relief for businesses with profits between £50,000 and £250,000.

11. Goodwill

	2022 £
Cost	
At 1 July 2021	762,485
At 30 June 2022	762,485
Net book value	
At 30 June 2022	762,485
<i>At 30 June 2021</i>	762,485

STANLEY DAVIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

12. Tangible fixed assets

	Leasehold improvements £	Right of use assets £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 July 2021	55,705	1,005,298	313,976	1,374,979
Additions	-	21,457	34,529	55,986
At 30 June 2022	<u>55,705</u>	<u>1,026,755</u>	<u>348,505</u>	<u>1,430,965</u>
Depreciation				
At 1 July 2021	49,790	314,767	289,866	654,423
Charge for the year on owned assets	5,915	233,000	16,109	255,024
At 30 June 2022	<u>55,705</u>	<u>547,767</u>	<u>305,975</u>	<u>909,447</u>
Net book value				
At 30 June 2022	<u>-</u>	<u>478,988</u>	<u>42,530</u>	<u>521,518</u>
At 30 June 2021	<u>5,915</u>	<u>690,531</u>	<u>24,110</u>	<u>720,556</u>

13. Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 July 2021	4,934,703
Disposals	(4,720,403)
At 30 June 2022	<u>214,300</u>

14. Stocks

	2022 £	2021 £
Finished goods and goods for resale	2,220	6,200
	<u>2,220</u>	<u>6,200</u>

STANLEY DAVIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

15. Debtors

	2022 £	2021 £
Trade debtors	199,260	445,867
Amounts owed by group undertakings	9,762,642	4,497,512
Other debtors	41,857	-
Prepayments and accrued income	113,975	131,509
	<u>10,117,734</u>	<u>5,074,888</u>

16. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	85,911	315,667
	<u>85,911</u>	<u>315,667</u>

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	123,637	106,996
Amounts owed to group undertakings	5,880,135	5,393,731
Corporation tax	-	84,310
Other taxation and social security	33,861	161,809
Lease liabilities	130,781	184,208
Other creditors	3,000	3,000
Accruals and deferred income	316,030	453,841
	<u>6,487,444</u>	<u>6,387,895</u>

The lease liabilities are secured over the assets to which they relate.

18. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Lease liabilities	370,679	331,224
	<u>370,679</u>	<u>331,224</u>

The lease liabilities are secured over the assets to which they relate.

STANLEY DAVIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

19. Leases

Lease liabilities in respect of right of use assets comprise of the following:

	2022 £	2021 £
Right of use assets due < 1 year	130,781	184,208
Right of use assets due > 1 year	370,679	331,224
	<u>501,460</u>	<u>515,432</u>

20. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
6,218 (2021 - 6,218) Ordinary shares of £1.00 each	<u>6,218</u>	<u>6,218</u>

21. Controlling party

Dye & Durham (UK) Holdings Limited is (formerly Dye & Durham (UK) Limited) the immediate parent company. Dye & Durham Limited (incorporated in Canada) is the ultimate parent company, by virtue of its 100% holding in Dye & Durham (UK) Holdings Limited. A copy of the consolidated financial statements of Dye & Durham (UK) Holdings Limited (formerly Dye & Durham (UK) Limited) is available at Companies House.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

22. Subsidiary undertakings

At 30 June 2021, the Company owned 100% Of the allotted ordinary share capital of the following principal trading subsidiary undertakings.

- (1) Brady & Co (Law Searchers) Limited- Republic of Ireland - Property Search agent
- (1) Rochford Brady Legal Services Limited- Republic of Ireland - Legal Services
- (1) Hibernian Legal (International) Limited - Republic of Ireland - Property Search Agent
- (2) Formations Direct Limited- England and Wales - Company Formations
- (2) Lawlink (UK) Ltd- England and Wales - Data processing, hosting and related activities

- (1) Registered office — Ormond Building, 31-36 Ormond Quay Upper, Dublin 7, Republic of Ireland
- (2) Registered office — Lower Ground Floor, One George Yard, London, United Kingdom, EC3V 9DF

The following companies are dormant subsidiaries incorporated in England and Wales. All dormant group companies take advantage of the exemption from having their accounts audited.

JH Management Services Limited
JH VAT Services Limited
Eurolife Company Services Limited

From 21 March 2022, the ownership Brady & Co (Law Searchers) Limited, Rochford Brady Legal Services Limited, Hibernian Legal (International) Limited and Formations Direct Limited transferred to Dye & Durham (UK) Holdings Limited. On 1 July 2022, Brady & Co (Law Searchers) Limited, Rochford Brady Legal Services Limited, Hibernian Legal (International) Limited merged to become one company, Dye & Durham (Ireland) Limited.

JH Management Services Limited and Eurolife Company Services Limited have been dissolved since the 2022 accounting year end.

Investments in subsidiary undertakings are tested for impairment annually by comparing the carrying value of the investment with the aggregate recoverable amount of the underlying subsidiaries. The directors consider there to be no impairment as at 30 June 2022 or post year end.