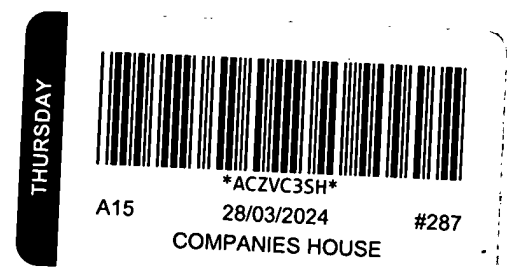


STANLEY DAVIS GROUP LIMITED  
FINANCIAL STATEMENTS  
30 JUNE 2023



**ArmstrongWatson®**  
Accountants, Business & Financial Advisers

**STANLEY DAVIS GROUP LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	T Durbin St George A F Burch
<b>Registered number</b>	02413680
<b>Registered office</b>	Imperium Imperial Way Reading Berkshire RG2 0TD
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS

**STANLEY DAVIS GROUP LIMITED**

**CONTENTS**

	Page
<b>Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>Independent Auditors' Report</b>	5 - 8
<b>Statement of Comprehensive Income</b>	9
<b>Balance Sheet</b>	10 - 11
<b>Statement of Changes in Equity</b>	12
<b>Notes to the Financial Statements</b>	13 - 25

**STANLEY DAVIS GROUP LIMITED**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Introduction**

The directors present their Strategic Report together with the Directors' Report and the audited financial statements of the Company for the year ended 30 June 2023.

The Strategic Report is prepared in accordance with s414(c) of the Companies Act 2006.

**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 Directors are 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 2023.

*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.

*Economic Activity*

General economic conditions may affect our results of operations and financial condition. Demand for our products depends in large part upon the level of capital and operating expenditures by many of our customers and their clients. Decreased capital and operational spending could have a material adverse effect on the demand for our products and our business, results of operations, cash flow and overall financial condition. Decreased capital and operational spending or disruptions in the financial markets could be caused by the outbreak of a contagious illness, such as the recent outbreak of COVID-19. Any of these conditions may reduce the ability of our customers, prospective customers, and their clients to commit funds to purchase our products and services, or their ability to pay for our products and services after purchase.

*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.

**STANLEY DAVIS GROUP LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2023**

*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 directors have identified turnover and profit before tax as the major KPI's of the Group.

- Turnover for the year was £1,064,350 (2022: £1,563,918) a decrease of 32% on the prior year.
- Loss before tax for the year was £2,036,482 (2022: £249,335).

Turnover decreased as the directors took the strategic decision to exit certain non-core activities.

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

  
Tom Durbin St George (Mar 26, 2024 16:12 GMT)

.....  
**T Durbin St George**  
Director

Date: 26/03/2024

## **STANLEY DAVIS GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report and the financial statements for the year ended 30 June 2023.

#### **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;
- 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 £1,995,381 (2022 - loss £249,335).

There were no dividends paid in the year (2022 - £Nil).

#### **Directors**

The directors who served during the year were:

T Durbin St George  
A F Burch

#### **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 2023**

**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.

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 and signed on its behalf.

  
Tom Durbin St George (Mar 26, 2024 16:12 GMT)

.....  
**T Durbin St George**  
Director

Date: 26/03/2024

## **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 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, 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 2023 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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **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 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; and
- 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.

**STANLEY DAVIS GROUP LIMITED**

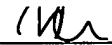
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY DAVIS GROUP LIMITED  
(CONTINUED)**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 (Mar 26, 2024 20:32 GMT)

**Matthew Osbourne, Senior Statutory Auditor**

For and on behalf of  
Armstrong Watson Audit Limited  
Chartered Accountants & Statutory Auditors  
Leeds  
Date: 26/03/2024

**STANLEY DAVIS GROUP LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Revenue	4	1,064,350	1,563,918
Cost of sales		(365,061)	(162,931)
<b>Gross profit</b>		<b>699,289</b>	<b>1,400,987</b>
Administrative expenses		(2,690,043)	(1,596,716)
<b>Operating loss</b>	5	<b>(1,990,754)</b>	<b>(195,729)</b>
Interest receivable and similar income	8	-	6
Interest payable and similar expenses	9	(45,728)	(53,612)
<b>Loss before tax</b>		<b>(2,036,482)</b>	<b>(249,335)</b>
Tax on loss	10	41,101	-
<b>Loss for the financial year</b>		<b>(1,995,381)</b>	<b>(249,335)</b>

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 13 to 25 form part of these financial statements.

**STANLEY DAVIS GROUP LIMITED**  
**REGISTERED NUMBER: 02413680**


**BALANCE SHEET**  
**AS AT 30 JUNE 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Goodwill	11	-	762,485
Tangible assets	12	397,879	521,518
Investments	13	-	214,300
		<u>397,879</u>	<u>1,498,303</u>
<b>Current assets</b>			
Stocks	14	2,219	2,220
Debtors: amounts falling due within one year	15	9,795,852	10,117,734
Cash at bank and in hand	16	58,037	85,911
		<u>9,856,108</u>	<u>10,205,865</u>
Creditors: amounts falling due within one year	17	(7,135,843)	(6,487,444)
<b>Net current assets</b>		<u>2,720,265</u>	<u>3,718,421</u>
<b>Total assets less current liabilities</b>		<u>3,118,144</u>	<u>5,216,724</u>
Creditors: amounts falling due after more than one year	18	(267,480)	(370,679)
		<u>2,850,664</u>	<u>4,846,045</u>
<b>Net assets</b>		<u><u>2,850,664</u></u>	<u><u>4,846,045</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	6,218	6,218
Share premium account		2,794,098	2,794,098
Profit and loss account		50,348	2,045,729
		<u>2,850,664</u>	<u>4,846,045</u>

**STANLEY DAVIS GROUP LIMITED**  
**REGISTERED NUMBER: 02413680**

**BALANCE SHEET (CONTINUED)**  
**AS AT 30 JUNE 2023**

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

  
Toni Durbin St George (Mar 26, 2024 16:12 GMT)  
.....  
**T Durbin St George**  
Director

Date: 26/03/2024

The notes on pages 13 to 25 form part of these financial statements.

**STANLEY DAVIS GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2022	6,218	2,794,098	2,045,729	4,846,045
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,995,381)	(1,995,381)
<b>At 30 June 2023</b>	<u>6,218</u>	<u>2,794,098</u>	<u>50,348</u>	<u>2,850,664</u>

**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
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(249,335)	(249,335)
<b>At 30 June 2022</b>	<u>6,218</u>	<u>2,794,098</u>	<u>2,045,729</u>	<u>4,846,045</u>

The notes on pages 13 to 25 form part of these financial statements.

## **STANLEY DAVIS GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

#### **1. General information**

Stanley Davis Group Limited is a private company limited by shares and incorporated and domiciled in England & Wales under the Companies Act and is tax resident in the United Kingdom. The Company's registered head office is located at Imperium, Imperial Way, Reading, Berkshire, United Kingdom, RG2.

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 judgment 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 2023**

#### **2. Accounting policies (continued)**

##### **2.3 Going concern**

The director are 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 are 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'.

##### **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.

## STANLEY DAVIS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 2. Accounting policies (continued)

##### 2.5 Revenue (continued)

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.

##### 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.

## **STANLEY DAVIS GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

#### **2. Accounting policies (continued)**

##### **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 Balance Sheet. 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 balance sheet date in the countries where the Company operates and generates income.

##### **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.

## STANLEY DAVIS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 2. Accounting policies (continued)

##### 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 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.16 Stocks

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

##### 2.17 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.

##### 2.18 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.

## STANLEY DAVIS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 2. Accounting policies (continued)

##### 2.19 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.

#### 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. An impairment has been charged in the period, reducing goodwill to nil.

**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. An impairment has been charged in the period, reducing investments to nil.

# STANLEY DAVIS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 4. Turnover

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

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	799,468	1,392,395
Outside United Kingdom	264,882	171,523
	<u>1,064,350</u>	<u>1,563,918</u>

### 5. Operating loss

The operating loss is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	123,639	255,024
Impairment of intangible assets	762,485	-
Difference on foreign exchange	3,999	(17,339)
	<u>890,123</u>	<u>237,685</u>

### 6. Auditors' remuneration

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

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>16,450</u>	<u>14,300</u>

**STANLEY DAVIS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**7. Employees**

Staff costs were as follows:

	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
Wages and salaries	<b>928,088</b>	654,313
Social security costs	<b>57,863</b>	37,845
Cost of defined contribution scheme	<b>16,345</b>	25,005
	<u><b>1,002,296</b></u>	<u>717,163</u>

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

	<b>2023</b>	2022
	<b>No.</b>	<b>No.</b>
	<b>16</b>	30
	<u><b>16</b></u>	<u>30</u>

**8. Interest receivable**

	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
Other interest receivable	-	6
	<u>-</u>	<u>6</u>

**9. Interest payable and similar expenses**

	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
Finance leases and hire purchase contracts	<b>45,728</b>	53,612
	<u><b>45,728</b></u>	<u>53,612</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

10. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(41,061)	-
	<u>(41,061)</u>	<u>-</u>
<b>Total current tax</b>	<u>(41,061)</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(40)	-
<b>Total deferred tax</b>	<u>(40)</u>	<u>-</u>
<b>Tax on loss</b>	<u>(41,101)</u>	<u>-</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 20.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	<u>(2,036,482)</u>	<u>(249,335)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022 - 19%)	(417,479)	(47,374)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(1,595)	(12,173)
Impairment losses and depreciation in excess of capital allowances	178,953	(4,344)
Group relief surrendered	215,104	63,891
Adjustments to tax charge in respect of prior periods	(41,061)	-
Other differences leading to an increase (decrease) in the tax charge	24,977	-
<b>Total tax charge for the year</b>	<u>(41,101)</u>	<u>-</u>

**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 took 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.



STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

11. Goodwill

	2023 £
<b>Cost</b>	
At 1 July 2022	762,485
At 30 June 2023	762,485
<b>Amortisation</b>	
Impairment charge	762,485
At 30 June 2023	762,485
<b>Net book value</b>	
At 30 June 2023	-
At 30 June 2022	762,485

12. Tangible fixed assets

	Leasehold improvements £	Right of use assets £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 July 2022	55,705	1,026,755	348,505	1,430,965
At 30 June 2023	55,705	1,026,755	348,505	1,430,965
<b>Depreciation</b>				
At 1 July 2022	55,705	547,767	305,975	909,447
Charge for the year on owned assets	-	105,100	18,539	123,639
At 30 June 2023	55,705	652,867	324,514	1,033,086
<b>Net book value</b>				
At 30 June 2023	-	373,888	23,991	397,879
At 30 June 2022	-	478,988	42,530	521,518

**STANLEY DAVIS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**13. Fixed asset investments**

	Shares in subsidiary undertakings £
At 1 July 2022	214,300
Amounts written off	(214,300)
At 30 June 2023	-

**14. Stocks**

	2023 £	2022 £
Finished goods and goods for resale	2,219	2,220
	<u>2,219</u>	<u>2,220</u>

**15. Debtors**

	2023 £	2022 £
Trade debtors	132,184	199,260
Amounts owed by group undertakings	9,289,174	9,762,642
Other debtors	260,351	41,857
Prepayments and accrued income	114,143	113,975
	<u>9,795,852</u>	<u>10,117,734</u>

**16. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	58,037	85,911
	<u>58,037</u>	<u>85,911</u>

**STANLEY DAVIS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**17. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Trade creditors	141,645	123,637
Amounts owed to group undertakings	6,664,614	5,880,135
Other taxation and social security	47,979	33,861
Lease liabilities	134,298	130,781
Other creditors	3,000	3,000
Accruals and deferred income	144,307	316,030
	<u>7,135,843</u>	<u>6,487,444</u>

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

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

	2023 £	2022 £
Lease liabilities	267,480	370,679
	<u>267,480</u>	<u>370,679</u>

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

**19. Leases**

	2023 £	2022 £
Due < 1 year	134,298	130,781
Due > 1 year	267,480	370,679
	<u>401,778</u>	<u>501,460</u>

**20. Share capital**

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
6,218 (2022 - 6,218) Ordinary shares of £1.00 each	<u>6,218</u>	<u>6,218</u>

**STANLEY DAVIS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**21. Controlling party**

Dye & Durham (UK) Holdings Limited (formerly Dye & Durham (UK) Limited) is 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 Corporation Limited are available from its registered office address, which is 1100-25 York Street Toronto, Canada.

**22. Subsidiary undertakings**

At 30 June 2022, the Company owned 100% of the allotted ordinary share capital of the following dormant group companies.

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

JH Management Services Limited and Eurolife Company Services Limited have been dissolved in the year ended 30 June 2023. JH VAT Services Limited was dissolved in July 2023.

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.