

Company Registration No. 05688116 (England and Wales)

SKIDDLE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

PM+M Solutions for Business LLP
Chartered Accountants
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

SKIDDLE LIMITED

COMPANY INFORMATION

Directors	Mr R Dyer Mr B Sebborn
Company number	05688116
Registered office	Ashley Hall Farm Inglewhite Road Goosnargh Preston PR3 2EB
Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB

SKIDDLE LIMITED

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SKIDDLE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the business

Skiddle is a market leading primary ticket outlet and online events guide, servicing customers in the UK and overseas. Skiddle provides end to end management of event ticketing, from ticket sale to event entry.

The primary aim for the company in 2022/23 was to increase market share and sales volumes, by acquisition of new Promoters and growing the existing Promoter base. New Promoters were targeted in growing sales channels, such as Lifestyle and Sport. This culminates in a wider variety of events listed on Skiddle and more variety and choice for the end Customer, who ultimately buy the tickets and generate the revenue.

The company invested heavily in technological innovation to enhance user experience, key projects included App development and advancements in the Promotion Centre.

During the year, turnover increased by £2,296,111 to £13,134,931 a 21% increase in sales revenue, as a result of new Promoter wins and a volume increase across our existing Promoter base. Revenue formed a part of the approximately £115m (£87m 2022) of total cash spent by customers on Skiddle throughout the year.

Gross margin increased from 57.6% to 58.5%. There has been a change in revenue mix post COVID and key supplier contracts have been renegotiated leading to an increase in profitability.

Admin expenses have increased by £474,711 (14%) on last year, mainly due to an increase in headcount and advertising. The company has continued to invest in its team, growing headcount from 58 to 77 FTE. Strategic hires have been made across the company to deliver growth and enhance the customer experience for all Skiddle stakeholders. This has put the company in a strong position for future growth.

As a result of the above, EBITDA has increased £1,339,460 to £4,859,173 a 38% increase. Below EBITDA, Skiddle have seen an increase in interest payable as a result of UK Bank of England base rate rises and a full year of interest payable on the coronavirus business interruption loan (CBILS).

Skiddle's balance sheet remains strong with net assets at 31st March 2023 of £6,745,487. Skiddle remains committed to never using third party cash to fund working capital and to always have enough cash reserves to meet the third party creditor

Principal risks and uncertainties

Competitor & Market risk - Event ticketing is a competitive market, with numerous ticketing platforms and event promoters vying for market share. This competition can lead to pricing pressure and reduced profit margins. New entrants and startups with innovative solutions can disrupt the market, the company continuously invests in technology and marketing to maintain a competitive edge.

Cyber risk - Operating online exposes the company to potential cyber risk. Skiddle is accredited as a PCI/DSS Merchant and Service Provider. The company prioritises cyber risk and continues to work to high standards by completing regular internal and external audits on cyber threats.

Liquidity risk - The company is committed to maintaining adequate liquidity to meet its financial obligations. The company closely monitors its cash flow projections and maintains cash reserves and credit facilities to address short-term liquidity needs.

People risk - Managing people risk effectively is crucial to maintaining operational continuity, innovation, and the ability to adapt to changing market conditions. Management is dedicated to fostering a positive workplace culture and a high employee NPS.

SKIDDLE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Key performance indicators

The directors regularly monitor performance through key performance indicators which are discussed at board meetings. Significant key performance indicators are as follows:

Financial:

	2023	2022
	£	£
Revenue	13,134,931	10,838,820
EBITDA	4,859,173	3,519,713
Total cash receipts	115,000,000	87,000,000
Staff numbers	77	58
Tickets sales	5,300,000	4,200,000

Non-financial:

The directors consider the Promoter and Customer NPS to be non-financial key performance indicators which are regularly reviewed and closely monitored.

Future developments and performance

The directors believe the company will continue to trade successfully for the foreseeable future whilst continuing to invest in technology and staffing to enhance the usability for new and existing Customers and Promoters.

The projects undertaken in 2022/23 will allow the company to scale quicker, become more agile and expand into new areas and generate sustainable growth.

On behalf of the board

Mr R Dyer
Director

19 December 2023

Mr B Sebborn
Director

19 December 2023

SKIDDLE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of a primary ticket outlet and events guide.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £3,240,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R Dyer
Mr B Sebborn

Auditor

PM+M Solutions for Business LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

SKIDDLE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board

Mr R Dyer
Director

Mr B Sebborn
Director

19 December 2023

SKIDDLE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKIDDLE LIMITED

Opinion

We have audited the financial statements of Skiddle Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's 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 UK, including the FRC'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 auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

SKIDDLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SKIDDLE LIMITED

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 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, 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

SKIDDLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SKIDDLE LIMITED

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the matters discussed among the audit engagement team and relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Company's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety regulations, pensions legislation and tax legislation.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

SKIDDLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SKIDDLE LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

The prior period financial statements were not audited, however we have obtained sufficient appropriate audit evidence that the opening balances do not contain misstatements, that materially affect the current periods financial statements.

Use of our report

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

Christopher Johnson FCA
Senior Statutory Auditor
For and on behalf of PM+M Solutions for Business LLP

19 December 2023

Chartered Accountants
Statutory Auditor

New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

SKIDDLE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	13,134,931	10,838,820
Cost of sales		(5,445,852)	(4,596,481)
Gross profit		7,689,079	6,242,339
Administrative expenses		(3,918,126)	(3,443,415)
Other operating income		320,512	101,586
Analysis of operating profit:			
EBITDA*		4,859,173	3,519,713
Depreciation and amortisation		(767,708)	(619,204)
Operating profit	4	4,091,465	2,900,510
Interest receivable and similar income		49,013	1,788
Interest payable and similar expenses		(161,694)	(48,394)
Gain on financial assets held at fair value	7	-	102,005
Profit before taxation		3,978,784	2,955,909
Tax on profit	8	(642,406)	(562,265)
Profit for the financial year		3,336,378	2,393,644

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SKIDDLE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10		1,322,359		911,024
Tangible assets	11		859,913		825,719
			<u>2,182,272</u>		<u>1,736,743</u>
Current assets					
Debtors falling due after more than one year	12	1,430,580		1,114,969	
Debtors falling due within one year	12	1,734,363		1,780,012	
Cash at bank and in hand		23,426,469		20,768,281	
		<u>26,591,412</u>		<u>23,663,262</u>	
Creditors: amounts falling due within one year	13	(20,595,460)		(16,916,556)	
Net current assets			<u>5,995,952</u>		<u>6,746,706</u>
Total assets less current liabilities			<u>8,178,224</u>		<u>8,483,449</u>
Creditors: amounts falling due after more than one year	14		(1,033,333)		(1,433,333)
Provisions for liabilities					
Deferred tax liability	16	399,404		401,007	
			<u>(399,404)</u>		<u>(401,007)</u>
Net assets			<u><u>6,745,487</u></u>		<u><u>6,649,109</u></u>
Capital and reserves					
Called up share capital	18		100		100
Profit and loss reserves			6,745,387		6,649,009
Total equity			<u><u>6,745,487</u></u>		<u><u>6,649,109</u></u>

The financial statements were approved by the board of directors and authorised for issue on 19 December 2023 and are signed on its behalf by:

Mr R Dyer
Director

Mr B Sebborn
Director

Company Registration No. 05688116

SKIDDLE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2021		100	4,468,085	4,468,185
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	2,393,644	2,393,644
Dividends	9	-	(212,720)	(212,720)
Balance at 31 March 2022		100	6,649,009	6,649,109
Year ended 31 March 2023:				
Profit and total comprehensive income for the year		-	3,336,378	3,336,378
Dividends	9	-	(3,240,000)	(3,240,000)
Balance at 31 March 2023		100	6,745,387	6,745,487

SKIDDLE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	22	7,987,834	2,463,025
Interest paid		(161,694)	(48,394)
Income taxes paid		(392,922)	(114,860)
Net cash inflow from operating activities		7,433,218	2,299,771
Investing activities			
Purchase of intangible assets		(990,860)	(662,997)
Purchase of tangible fixed assets		(222,377)	(387,046)
Proceeds from disposal of tangible fixed assets		-	5,000
Proceeds from disposal of investments		-	1,083,777
Interest received		49,013	1,788
Net cash (used in)/generated from investing activities		(1,164,224)	40,522
Financing activities			
Proceeds on directors loan account		29,194	-
Advances on directors loan account		-	(16,016)
Repayment of bank loans		(400,000)	(166,667)
Dividends paid		(3,240,000)	(212,720)
Net cash used in financing activities		(3,610,806)	(395,403)
Net increase in cash and cash equivalents		2,658,188	1,944,890
Cash and cash equivalents at beginning of year		20,768,281	18,823,391
Cash and cash equivalents at end of year		23,426,469	20,768,281

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Skiddle Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ashley Hall Farm, Inglewhite Road, Goosnargh, Preston, PR3 2EB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the total commissions earned from tickets sold as an agent, excluding value added tax. It includes commissions earned in respect of personal ticket refund protection taken out by customers, and charges made to Promoters in respect of services provided by the Company, net of value added tax.

The company acts solely as a booking agent and accordingly the revenue from such fees are presented on a net basis and are recognised at point of sale. The company also provides additional services to Promoters, the revenue attributed to these services is recognised when the services are provided. All amounts collected on behalf of third parties are excluded from revenue.

1.4 Research and development expenditure

The directors have elected to capitalise qualifying software development costs in order to give more reliable and relevant information to other users of the financial statements, this is because the cost of the expense is spread over the period that economic benefit is expected to be received as a result, furthermore the development costs are being recognised as an asset in the statement of financial position which gives us a better reflection of the underlying value held by the company in respect of development at each period-end.

The Company capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following:

- (a) The technical feasibility of completing the development so the intangible asset will be available for use or sale.
- (b) Its intention to complete the development and to use or sell the intangible asset.
- (c) Its ability to use or sell the intangible asset.
- (d) How the intangible asset will generate probable future economic benefits.
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Furthermore, as the development costs capitalised under this policy are expected to produce future economic benefits the amortisation of such costs will be treated as a realised loss in accordance with section 844 of Companies Act 2006 rather than the initial expenditure.

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Capitalised development expenditure is amortised on a straight-line basis over its useful life. The directors consider the useful life below to be appropriate as the software generally becomes outdated and obsolete over this period.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software development	2 years straight line
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2%-10% straight line
Plant and equipment	20% straight line
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange rate prevailing on the date of the transaction.

2 Judgements and key sources of estimation uncertainty

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

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

These main areas of judgement that have a significant risk of causing a material adjustment to the carrying value amounts of assets and liabilities within the next financial year are in relation to debtor provisions and the useful economic lives of the company's fixed and intangible assets.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Provision of services	13,134,931	10,838,820
	13,134,931	10,838,820
	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	12,964,177	10,696,067
Europe	131,349	109,809
Rest of World	39,405	32,944
	13,134,931	10,838,820
	13,134,931	10,838,820

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Turnover and other revenue (Continued)

	2023	2022
	£	£
Other revenue		
Interest income	49,013	1,788
Grants received	-	82,558
	<u> </u>	<u> </u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(16,687)	(3,430)
Government grants	-	(82,558)
Fees payable to the company's auditor for the audit of the company's financial statements	13,400	-
Depreciation of owned tangible fixed assets	188,183	113,184
Profit on disposal of tangible fixed assets	-	(2,733)
Amortisation of intangible assets	579,525	506,020
Operating lease charges	51,567	40,002
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2023	2022
Number	Number
77	58
<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	1,723,743	1,329,553
Social security costs	277,988	196,659
Pension costs	99,891	131,487
	<u> </u>	<u> </u>
	<u>2,101,622</u>	<u>1,657,699</u>

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	17,264	17,263
Company pension contributions to defined contribution schemes	28,000	80,000
	<u>45,264</u>	<u>97,263</u>

7 Fair value gains/(losses) on financial instruments

	2023 £	2022 £
Fair value gains/(losses) on financial instruments		
Gain on financial assets held at fair value through profit or loss	-	102,005
	<u>-</u>	<u>102,005</u>

8 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	643,253	408,317
Adjustments in respect of prior periods	755	(755)
Total current tax	<u>644,008</u>	<u>407,562</u>
Deferred tax		
Origination and reversal of timing differences	(1,602)	154,703
	<u>(1,602)</u>	<u>154,703</u>
Total tax charge	<u>642,406</u>	<u>562,265</u>

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	3,978,784	2,955,909
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	755,969	561,623
Tax effect of expenses that are not deductible in determining taxable profit	6,906	78,574
Adjustments in respect of prior years	755	(755)
Effect of change in corporation tax rate	(384)	96,242
Research and development tax credit	(114,522)	(163,760)
Fixed asset differences	(6,318)	139,061
Deferred tax not recognised	-	(148,720)
Taxation charge for the year	642,406	562,265

9 Dividends

	2023 £	2022 £
Interim paid	3,240,000	212,720

10 Intangible fixed assets

	Software development £
Cost	
At 1 April 2022	2,498,064
Additions - internally developed	990,860
At 31 March 2023	3,488,924
Amortisation and impairment	
At 1 April 2022	1,587,040
Amortisation charged for the year	579,525
At 31 March 2023	2,166,565
Carrying amount	
At 31 March 2023	1,322,359
At 31 March 2022	911,024

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Intangible fixed assets

(Continued)

The average amortisation period remaining for the above intangible assets is 24 months.

11 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2022	538,884	373,995	119,192	367,549	1,399,620
Additions	-	137,820	9,557	75,000	222,377
Disposals	(751)	(45,070)	(12,594)	(10,000)	(68,415)
At 31 March 2023	538,133	466,745	116,155	432,549	1,553,582
Depreciation and impairment					
At 1 April 2022	218,158	213,086	73,976	68,681	573,901
Depreciation charged in the year	25,118	69,494	9,222	84,349	188,183
Eliminated in respect of disposals	(751)	(45,070)	(12,594)	(10,000)	(68,415)
At 31 March 2023	242,525	237,510	70,604	143,030	693,669
Carrying amount					
At 31 March 2023	295,608	229,235	45,551	289,519	859,913
At 31 March 2022	320,726	160,909	45,216	298,868	825,719

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	1,306,392	1,396,238
Other debtors	-	29,995
Prepayments and accrued income	427,971	353,779
	<u>1,734,363</u>	<u>1,780,012</u>
Amounts falling due after more than one year:		
Trade debtors	455,430	429,749
Other debtors	975,150	685,220
	<u>1,430,580</u>	<u>1,114,969</u>
Total debtors	<u>3,164,943</u>	<u>2,894,981</u>

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	15	400,000	400,000
Trade creditors - client		16,016,410	14,398,672
Trade creditors - other		441,215	286,535
Corporation tax		653,599	402,515
Other taxation and social security		1,476,690	1,203,030
Other creditors		1,456,803	131,442
Accruals and deferred income		150,743	94,362
		<u>20,595,460</u>	<u>16,916,556</u>

14 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	15	<u>1,033,333</u>	<u>1,433,333</u>

15 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>1,433,333</u>	<u>1,833,333</u>
Payable within one year	400,000	400,000
Payable after one year	<u>1,033,333</u>	<u>1,433,333</u>

The bank loan is secured over the freehold property of the company. Interest is charged at 2.34% per annum over the base rate. The total term of the loan is 72 months.

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Fixed asset timing differences	403,390	404,304
Short term timing differences	(3,986)	(3,297)
	<u>399,404</u>	<u>401,007</u>

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Deferred taxation (Continued)

	2023 £
Movements in the year:	
Liability at 1 April 2022	401,007
Credit to profit or loss	(1,603)
Liability at 31 March 2023	<u>399,404</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

17 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>99,891</u>	<u>131,487</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

19 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	78,460	42,861
Between two and five years	61,993	150,337
	<u>140,453</u>	<u>193,198</u>

20 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Included within debtors: amounts falling due after more than one year is an amount £968,650 (2022: £685,220) which is due from a company under common control. The amount is interest free and have no fixed date for repayment.

SKIDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Directors' transactions

Dividends totalling £3,240,000 (2022 - £212,720) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Directors Loan	7.00	29,194	1,020,312	(1,662,303)	(612,797)
Directors Loan	7.00	(1,832)	970,067	(1,620,000)	(651,765)
		<u>27,362</u>	<u>1,990,379</u>	<u>(3,282,303)</u>	<u>(1,264,562)</u>

22 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	3,336,378	2,393,644
Adjustments for:		
Taxation charged	642,406	562,265
Finance costs	161,694	48,394
Investment income	(49,013)	(1,788)
Gain on disposal of tangible fixed assets	-	(2,733)
Amortisation and impairment of intangible assets	579,525	506,020
Depreciation and impairment of tangible fixed assets	188,183	113,181
Other gains and losses	-	(102,005)
Movements in working capital:		
Decrease in stocks	-	13,725
(Increase)/decrease in debtors	(299,159)	649,677
Increase/(decrease) in creditors	3,427,820	(1,717,355)
Cash generated from operations	<u>7,987,834</u>	<u>2,463,025</u>

23 Analysis of changes in net funds

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	20,768,281	2,658,188	23,426,469
Borrowings excluding overdrafts	(1,833,333)	400,000	(1,433,333)
	<u>18,934,948</u>	<u>3,058,188</u>	<u>21,993,136</u>

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