

Group Strategic Report,
Report of the Directors and
Audited Consolidated Financial Statements
for the Year Ended 30 November 2021
for
SKS Business Services Limited

WEDNESDAY



ABHVSHN4

A24

30/11/2022

#35

COMPANIES HOUSE

SKS Business Services Limited

Contents of the Consolidated Financial Statements
for the Year Ended 30 November 2021

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Statement of Profit or Loss	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Company Statement of Financial Position	13
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Consolidated Statement of Cash Flows	18
Notes to the Consolidated Financial Statements	19

SKS Business Services Limited
Company Information
for the Year Ended 30 November 2021

DIRECTORS:

A Swarup
S K Swarup
R Penn-Newman

SECRETARY:

S K Swarup

REGISTERED OFFICE:

3 Sheen Road
Richmond upon Thames
Surrey
TW9 1AD

REGISTERED NUMBER:

06418541 (England and Wales)

AUDITORS:

Feltons, Chartered Accountants and Statutory Auditor
1 The Green
Richmond
TW9 1PL

SKS Business Services Limited
Group Strategic Report
for the Year Ended 30 November 2021

Principal activity

SKS Business Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office can be found on the company Information page.

The principal activity of the group (SKS Business Services Limited and its subsidiaries) is of providing accounting, tax and business rescue and business advisory services in the UK and overseas.

REVIEW OF BUSINESS

SKS' group turnover was £17,735k as compared to £12,445k in the previous year. Gross profit was £8,445k versus £6,907k in the previous year.

Gross Margin was 48% of the turnover in the year versus 55% in the prior year.

The Company had £20million credit facility arranged and managed by Shard Credit Partners. Of this, £16.62 million was drawn as at 30th November 2021.

The Company on 20th October 2022 announced the completion of the refinancing and acquisition facility of £48million.

PRINCIPAL RISKS AND UNCERTAINTIES

At present the principal risks to the Group is the impact of the weakening of the UK economy. We expect some client businesses to fail which should be compensated by onboarding new clients.

Despite the impact of the weakening economy, the directors consider the company and group to have adequate resources to continue its operations. The group monitors cash flow as part of its day-to-day control procedures. Management considers cash flow projections on a weekly basis and ensures that all its commitments are met on time. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The directors continue to carefully monitor the situation and in particular its business risks.

Other key risk areas and mitigation:

1. Data security breaches which could lead to GDPR non-compliance and loss of client confidence. The Group has put processes and imparts training to limit these breaches. The Group has also made investment in its information technology infrastructure with the view of enhancing security.
2. Succession planning. Senior leaders help in delivering management oversight to ensure that the internal control, quality, compliance, health and safety and other people issues are promptly addressed. The Group has created new positions to ensure that the strength of its leadership is commensurate to its size and future growth plans.

THE FUTURE

The Group continues to pursue new market opportunities and consider the long-term future of the group to be secure. The Group has continued to grow inorganically and organically over the next year and will continue to do so indefinitely.

SKS Business Services Limited
Group Strategic Report
for the Year Ended 30 November 2021

ENVIRONMENTAL MATTERS

The Group is committed to complying with accepted environmental practices, including the commitment to meet or exceed applicable legal and other requirements.

The Group has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as in the year none of the UK companies within the Group had emissions above 40,000kWh on an individual level.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group monitors its revenue and Underlying EBITDA on monthly basis.

	2021	2020
Consolidated Revenue	£17,734,490	£12,445,714
Gross Profit	8,445,296	6,907,059
Gross Profit Margin	48%	55%
Overheads	3,028,929	3,904,834
Underlying EBITDA Before Leasing Costs	5,416,367	3,002,225
Leasing costs as per IFRS 16 (e.g office rent, office equipment)	337,499	125,219
Underlying EBITDA After Leasing Costs	5,078,868	2,877,006
Special costs	2,644,805	773,824
EBITDA	2,434,063	2,103,182
EBITDA Margin	14%	17%

Underlying EBITDA

Underlying EBITDA is a non-IFRS measure. The Group defines Underlying EBITDA as Profit/(Loss) from operations before merger related redundancy, business development and training costs. It also excludes the following gain/(loss):

- i) creation of financial instruments liability e.g. financing warrants and revaluation of derivative instrument
- ii) depreciation

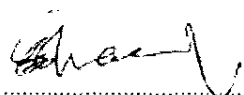
Special costs

Special costs is a non-IFRS measure. The Group defines 'Special costs' as merger related redundancy, business development and training costs.

EBITDA

EBITDA is a non-IFRS measure. This is 'Underlying EBITDA' less 'Special costs'.

ON BEHALF OF THE BOARD:



S K Swarup - Director

Date: 30th November, 2022

SKS Business Services Limited
Report of the Directors
for the Year Ended 30 November 2021

POST BALANCE SHEET EVENTS

The company received a £48 million financing package comprising of debt and equity for further acquisitions from Kartesia, the European specialist provider of capital solutions for small and mid-sized companies. Further details are available on both Company's and Kartesia's websites..

With the exception of these events and considerations, no other material post balance sheet events affecting the financial statements or related disclosures have occurred to date.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 International Financial Reporting 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The group falls within the qualifying conditions under s475 to require an audit. The subsidiaries of the group are eligible for exemption from audit under s479A-S479C of the Companies Act 2006. The ultimate parent company, SKS Business Services Limited, has provided necessary guarantees to the subsidiaries so that the later can avail the audit exemption as above.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

DIVIDENDS

No interim dividends were paid during the year on any of the shares.

The total distribution of dividends for the year ended 30 November 2021 will be £272,503.

DIRECTORS

A Swarup
S K Swarup
R Penn-Newman

SKS Business Services Limited

Report of the Directors
for the Year Ended 30 November 2021

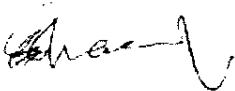
FINANCIAL INSTRUMENTS

Financing warrants. The Company issued financing warrants equivalent to 5% of the Company's value to Shard Credit Partners as consideration for financing on 23rd May 2018. Each financing warrant entitles the holder to receive from the Company a cash payment equal to the difference between the exercise value of the warrant and the calculated price of the Company's common shares at the time of exercise. Calculation methodology has been pre-agreed at the time of issuing these warrants. No common shares are issuable upon the exercise of the warrants unless the Company is unable to settle the value of the warrants in cash. These financing warrants are accounted for as a liability and are marked to the calculated cost as per the agreed formula at the end of each period until they are exercised or expire. The value of the warrants is payable at the time of the redemption of the loan. The Company recorded a fair value adjustment of £14,075 (2020: £9,185) for the year ended 30th November 2021. In October 2022, warrants were fully repaid along with repayment of Shard loan.

AUDITORS

The auditor, Feltons Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
S K Swarup - Director

Date: 30th November, 2022

Report of the Independent Auditors to the Members of
SKS Business Services Limited

Opinion

We have audited the financial statements of SKS Business Services Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2021 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 group 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 group's and the parent 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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.

Report of the Independent Auditors to the Members of
SKS Business Services Limited

Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page four, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We obtained an understanding of laws and regulations that could reasonably be expected to have a material effect on the financial statements through discussion with management and those charged with governance, including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. We remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override by reviewing the appropriateness of a sample of journal entries and other adjustments; assessing whether the judgements made in making key 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 that we come across throughout the audit.

Report of the Independent Auditors to the Members of
SKS Business Services Limited

However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company. Our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.

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. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.



Richard Rhodes (Senior Statutory Auditor)
for and on behalf of Feltons, Chartered Accountants and Statutory Auditor
1 The Green
Richmond
TW9 1PL

Date:30/11/22

SKS Business Services Limited

Consolidated Statement of Profit or Loss
for the Year Ended 30 November 2021

	Notes	2021 £	2020 £
CONTINUING OPERATIONS			
Revenue		17,734,490	12,445,714
Cost of sales		<u>(9,289,194)</u>	<u>(5,538,655)</u>
GROSS PROFIT		8,445,296	6,907,059
Other operating income		48,253	219,898
Administrative expenses		(5,949,403)	(4,768,921)
Other operating expenses		<u>(819,976)</u>	<u>(246,474)</u>
OPERATING PROFIT		1,724,170	2,111,562
Finance costs	3	<u>(2,410,338)</u>	<u>(1,143,347)</u>
(LOSS)/PROFIT BEFORE INCOME TAX	4	(686,168)	968,215
Income tax	6	<u>(59,606)</u>	<u>(167,186)</u>
(LOSS)/PROFIT FOR THE YEAR		<u>(745,774)</u>	<u>801,029</u>
(Loss)/profit attributable to:			
Owners of the parent		(857,954)	699,917
Non-controlling interests		<u>112,180</u>	<u>101,112</u>
		<u>(745,774)</u>	<u>801,029</u>

The notes form part of these financial statements

SKS Business Services Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 30 November 2021

	2021 £	2020 £
(LOSS)/PROFIT FOR THE YEAR	(745,774)	801,029
OTHER COMPREHENSIVE INCOME	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(745,774)</u>	<u>801,029</u>
Total comprehensive income attributable to:		
Owners of the parent	(857,954)	699,917
Non-Controlling interest	<u>112,180</u>	<u>101,112</u>

The notes form part of these financial statements

SKS Business Services Limited (Registered number: 06418541)

Consolidated Statement of Financial Position
30 November 2021

	Notes	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	9	15,420,532	14,935,624
Owned			
Intangible assets	10	44,911	6,070
Property, plant and equipment	11	1,574,455	1,247,592
Investments	12	9,599	9,599
		<u>17,049,497</u>	<u>16,198,885</u>
CURRENT ASSETS			
Inventories	13	4,656,582	3,971,772
Trade and other receivables	14	5,225,801	4,209,852
Cash and cash equivalents	15	412,523	1,155,260
		<u>10,294,906</u>	<u>9,336,884</u>
TOTAL ASSETS		<u>27,344,403</u>	<u>25,535,769</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	1,000	1,000
Retained earnings	17	375,777	1,459,735
		376,777	1,460,735
Non-controlling interests		<u>132,920</u>	<u>85,678</u>
TOTAL EQUITY		<u>509,697</u>	<u>1,546,413</u>

The notes form part of these financial statements

SKS Business Services Limited (Registered number: 06418541)

Consolidated Statement of Financial Position - continued
30 November 2021

	Notes	2021 £	2020 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	18	104,013	4,050,876
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	-	12,991,344
Finance lease	20	912,199	560,298
Deferred tax	23	606,314	546,708
		<u>1,622,526</u>	<u>18,149,226</u>
CURRENT LIABILITIES			
Trade and other payables	18	7,682,562	5,149,180
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	17,040,051	25,206
Finance lease	20	271,605	433,266
Tax payable		104,637	133,228
Provisions	22	113,325	99,250
		<u>25,212,180</u>	<u>5,840,130</u>
TOTAL LIABILITIES		<u>26,834,706</u>	<u>23,989,356</u>
TOTAL EQUITY AND LIABILITIES		<u>27,344,403</u>	<u>25,535,769</u>

30th November 2022

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



.....
S K Swarup - Director

The notes form part of these financial statements

SKS Business Services Limited (Registered number: 06418541)

Company Statement of Financial Position
30 November 2021

	Notes	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	10	44,911	6,070
Property, plant and equipment	11	483,146	312,372
Investments	12	1,008,817	977,580
		<u>1,536,874</u>	<u>1,296,022</u>
CURRENT ASSETS			
Inventories	13	41,866	3,390
Trade and other receivables	14	16,569,973	12,777,043
Cash and cash equivalents	15	36,678	241,798
		<u>16,648,517</u>	<u>13,022,231</u>
TOTAL ASSETS		<u>18,185,391</u>	<u>14,318,253</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	1,000	1,000
Retained earnings	17	130,977	36,105
TOTAL EQUITY		<u>131,977</u>	<u>37,105</u>

The notes form part of these financial statements

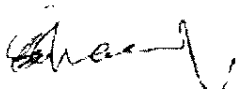
SKS Business Services Limited (Registered number: 06418541)

Company Statement of Financial Position - continued
30 November 2021

	Notes	2021 £	2020 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	-	12,991,344
Finance lease	20	159,383	128,402
Deferred tax	23	90,372	32,921
		<u>249,755</u>	<u>13,152,667</u>
CURRENT LIABILITIES			
Trade and other payables	18	1,623,298	953,311
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	16,056,589	25,206
Finance lease	20	10,447	50,714
Tax payable		-	-
Provisions	22	113,325	99,250
		<u>17,803,659</u>	<u>1,128,481</u>
TOTAL LIABILITIES		<u>18,053,414</u>	<u>14,281,148</u>
TOTAL EQUITY AND LIABILITIES		<u>18,185,391</u>	<u>14,318,253</u>

30th November 2022

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



.....
S K Swarup - Director

The notes form part of these financial statements

SKS Business Services Limited

Consolidated Statement of Changes in Equity
for the Year Ended 30 November 2021

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 December 2019	1,000	986,818	987,818	53,281	1,040,099
Changes in equity					
Profit for the year	-	699,917	699,917	101,112	801,029
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	699,917	699,917	101,112	801,029
Dividends	-	(227,000)	(227,000)	(68,715)	(295,715)
Balance at 30 November 2020	<u>1,000</u>	<u>1,459,735</u>	<u>1,460,735</u>	<u>85,678</u>	<u>1,546,413</u>
Changes in equity					
(Loss)/profit for the year	-	(857,954)	(857,954)	112,180	(745,774)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	(857,954)	(857,954)	112,180	(745,774)
Dividends	-	(226,004)	(226,004)	(64,938)	(290,942)
Balance at 30 November 2021	<u>1,000</u>	<u>375,777</u>	<u>376,777</u>	<u>132,920</u>	<u>509,697</u>

The notes form part of these financial statements

SKS Business Services Limited

Company Statement of Changes in Equity
for the Year Ended 30 November 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2019	1,000	32,722	33,722
Changes in equity			
Issue of share capital	-	-	-
Dividends	-	(227,000)	(227,000)
Total comprehensive income	-	230,383	230,383
Balance at 30 November 2020	1,000	36,105	37,105
Changes in equity			
Dividends	-	(226,004)	(226,004)
Total comprehensive income	-	320,876	320,876
Balance at 30 November 2021	1,000	130,977	131,977

The notes form part of these financial statements

SKS Business Services Limited

Consolidated Statement of Cash Flows
for the Year Ended 30 November 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,033,070	2,931,606
Tax paid		<u>(28,591)</u>	<u>(80,557)</u>
Net cash from operating activities		<u>1,004,479</u>	<u>2,851,049</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(819,715)	(229,045)
Purchase of fixed asset investments		<u>(859,193)</u>	<u>(4,461,808)</u>
Net cash from investing activities		<u>(1,678,908)</u>	<u>(4,690,853)</u>
Cash flows from financing activities			
New loans in year		2,825,000	3,800,000
Loan repayments in year		(16,306)	(32,471)
Interest paid		(2,248,561)	(1,160,800)
Lease interest paid		(337,499)	(125,217)
Dividends paid		<u>(290,942)</u>	<u>(295,714)</u>
Net cash from financing activities		<u>(68,308)</u>	<u>2,185,798</u>
(Decrease)/increase in cash and cash equivalents		<u>(742,737)</u>	<u>345,994</u>
Cash and cash equivalents at beginning of year	2	<u>1,155,260</u>	<u>809,266</u>
Cash and cash equivalents at end of year	2	<u><u>412,523</u></u>	<u><u>1,155,260</u></u>

The notes form part of these financial statements

SKS Business Services Limited

Notes to the Consolidated Statement of Cash Flows
for the Year Ended 30 November 2021

1. **RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2021	2020
	£	£
Profit before income tax	(686,168)	968,215
Depreciation charges	492,852	359,999
Bank charges	175,722	71,336
Impairment of asset	328,698	22,292
Amortisation charge	6,746	19,645
Interest paid	2,072,839	1,089,464
Finance costs	<u>337,499</u>	<u>125,219</u>
	2,728,188	2,656,170
Increase in work in progress	(684,810)	(1,088,692)
Increase in trade and other receivables	(1,015,949)	(1,204,834)
Increase in trade and other payables	<u>5,641</u>	<u>2,568,962</u>
Cash generated from operations	<u><u>1,033,070</u></u>	<u><u>2,931,606</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 November 2021

	30.11.21	1.12.20
	£	£
Cash and cash equivalents	<u><u>412,523</u></u>	<u><u>1,155,260</u></u>

Year ended 30 November 2020

	30.11.20	1.12.19
	£	£
Cash and cash equivalents	<u><u>1,155,260</u></u>	<u><u>809,266</u></u>

The notes form part of these financial statements

SKS Business Services Limited

Notes to the Consolidated Financial Statements
for the Year Ended 30 November 2021

1. **ACCOUNTING POLICIES**

STATUTORY INFORMATION

SKS Business Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office can be found on the General Information page.

The principal activity of the group (SKS Business Services Limited and its subsidiaries) is of providing accounting, tax and business rescue and business advisory services in the UK and overseas.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in pounds sterling rounded to the nearest £1.

BASIS OF CONSOLIDATION

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 November 2021.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting adjustments for the group include goodwill and work in progress in progress, the policies and amounts of which are disclosed in their respective accounting policies and notes. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected.

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

REVENUE RECOGNITION

Revenue is earned from the delivery of accounting, tax, bookkeeping, business and insolvency advisory services and is recognised at the point in time when the relevant performance obligation is satisfied as per the letter of engagement and terms of business. Adequate provisions have been made where the performance obligations are satisfied over time which generally happens when the clients pay by monthly standing orders or direct debits.

Revenue is measured at the transaction price, being the fair value of the consideration received or receivable. Payment is typically due within 30 days of delivery. Contracts with customers do not contain a financing component nor any element of variable consideration.

CASH AND CASH EQUIVALENTS

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

GOODWILL

Ownership of profitable acquisitions rests with the group in perpetuity. There are not believed to be any legal, regulatory or contractual provisions that limit their useful lives. Accordingly, the Directors believe that it is appropriate that Goodwill generated upon business combination are treated as having indefinite lives for accounting purposes.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss is recognised as an expense in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

A cash generating unit has been defined as an individual standalone business with its own management structure.

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Development expenditure - 25%

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

1. **ACCOUNTING POLICIES - continued**

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment 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:

Asset class	Depreciation method and rate
Fixture and fittings	25% reducing balance basis
Computer equipment	25% reducing balance basis
Long leasehold property	Over the term of lease

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 recognised in the profit and loss accounts.

FINANCIAL INSTRUMENTS

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instruments.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on net basis or to realise the asset and settle the liability simultaneously.

DIVIDENDS

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

WORK IN PROGRESS

Work in progress is recognized by combination of staging method and actual realizable time booked. Where fees are fixed, work in progress is calculated by staging method. For variable fees, work in progress is calculated by actual realizable time booked on the job.

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

1. ACCOUNTING POLICIES - continued

TAXATION

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported for accounting purposes because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for tax matters that are uncertain if it is considered probable that there will be a future outflow of funds to a tax authority. The provision is measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting 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 based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

LEASES

Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

EMPLOYEE BENEFIT COSTS

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

I. ACCOUNTING POLICIES - continued

GOING CONCERN

The directors believe that the group is well placed to manage its business risks successfully. Accordingly, they have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and they believe it is appropriate to apply the going concern basis of accounting in preparing the financial statements.

IMPAIRMENT OF GOODWILL

At each reporting date, the group reviews the carrying amounts of goodwill to determine whether there is any indication that it is required to be impaired. For any group company which has completed 12 months trading since acquisition, the group assesses NPV of the cash generating unit on the basis of future EBITDA to be generated on the basis of current years performance assuming no growth.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised as an expense within profit or loss immediately.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been previously recognised for that asset. A reversal of an impairment loss is recognised as a gain within profit or loss immediately.

BUSINESS COMBINATION

On the acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities acquired, reflecting conditions at the date of acquisition. Adjustments to fair values include those made to bring accounting policies into line with those of the group.

Provisional fair values are finalised within 12 months of the business combination date and, where significant, are adjusted by restatement of the comparative period in which the acquisition occurred. Non-controlling interests are measured at the proportionate share of the net identifiable assets acquired.

Goodwill arising on a business combination is the excess of fair value of consideration payable for the share of net identifiable assets and liabilities acquired (including separately identified intangible assets), net of non-controlling interests. Total consideration includes transaction costs.

Contingent consideration is measured at fair value at the date of the business combination, classified as a liability or equity (usually as a liability), and subsequently accounted for in line with that classification.

Changes in contingent consideration classified as a liability resulting other than from the finalisation of provisional fair values are accounted for in goodwill.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

TRADE DEBTORS

The directors make an estimate of the recoverable value of trade debtors and other debtors. When assessing impairment for trade and other debtors, members consider factors including ageing profile of debtors, historical experience and known post balance sheet events.

SKS Business Services Limited
Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

1. ACCOUNTING POLICIES - continued

Provision for bad debt is created on revenues and specific provision where the customer has gone into liquidation.

GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

PROVISIONS

Provision is made for warrants, dilapidation and contingencies. These required management's best estimate of the costs that will be incurred based on anticipated outcome and contractual requirements.

TRADE CREDITORS

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

SHARE CAPITAL

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

1. **ACCOUNTING POLICIES - continued**

BASIC FINANCIAL ASSETS

Basic financial assets, which include debtors, investment 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.

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 accounts.

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 and loss accounts.

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.

2. **EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	9,343,088	6,393,175
Social security costs	373,394	514,038
Other pension costs	385,947	116,566
	<u>10,102,429</u>	<u>7,023,779</u>

The average number of employees during the year was as follows:

	2021	2020
Directors	24	16
Accounting staff	623	443
Admin staff	<u>41</u>	<u>30</u>
	<u>688</u>	<u>489</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

2. EMPLOYEES AND DIRECTORS - continued

	2021	2020
	£	£
Directors' remuneration	<u>2,200,421</u>	<u>1,168,001</u>

3. NET FINANCE COSTS

	2021	2020
	£	£
Finance costs:		
Interest	2,072,839	1,018,128
Leasing	<u>337,499</u>	<u>125,219</u>
	<u>2,410,338</u>	<u>1,143,347</u>

4. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	2021	2020
	£	£
WIP recognised as expense	9,289,194	5,538,655
Short term leases	978,227	354,919
Depreciation - owned assets	492,852	359,999
Goodwill impairment	328,698	22,292
Development costs amortisation	-	111
Foreign exchange differences	<u>20,079</u>	<u>409</u>

5. AUDITORS' REMUNERATION

Auditors' remuneration for the year 2020-21 as below.

Name of the Auditor	Fee (£)
Feltons Chartered Accountants	25,000
Parvanee and Associates	<u>110</u>
Total	<u>25,110</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

6. **INCOME TAX**

Analysis of tax expense

	2021 £	2020 £
Current tax:		
tax	-	45,335
Total current tax	-	45,335
Deferred tax	59,606	121,851
Total tax expense in consolidated statement of profit or loss	<u>59,606</u>	<u>167,186</u>

Reconciliation of corporation tax included in profit and loss

	2021 £	2020 £
Tax on accounting profit at the applicable rate 19% (2020 19%)	-	183,961
Less: -		
Difference between depreciation as reported in account and per tax rule	-	10,800
Impairment of asset	-	4,235
Non-deductible cost	-	1,882
Knowhow amortized as per tax rule	-	(105,118)
Adjustment of prior period loss brought forward	-	(18,630)
Adjustment due to tax difference of foreign country	-	5,710
Others	-	(37,505)
Adjustment of deferred tax	59,606	121,851
Total tax cost	<u>59,606</u>	<u>167,186</u>

7. **PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £320,876 (2020 - £230,383).

8. **DIVIDENDS**

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM. The company has declared total dividend of £170,004 for the year (2020 - £170,000) on 95,000 class A shares at £1.79 per share (2020 - £1.79 per share) and £56,000 (2020 - £57,000) on 5,000 class B shares at £11.2 per share each (2020 - £11.4 per share)

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

9. **GOODWILL**

Group

COST

At 1 December 2020

Additions

As at 30 November 2021

£

15,446,028

813,606

16,259,634

AMORTISATION

At 1 December 2020

Impairment

At 30 November 2021

510,404

328,698

839,102

NET BOOK VALUE

At 30 November 2021

15,420,532

At 30 November 2020

14,935,624

10. **INTANGIBLE ASSETS**

Group

Development
costs
£

COST

At 1 December 2020

Addition

and 30 November 2021

10,292

45,587

55,879

AMORTISATION

At 1 December 2020

Charge for the year

and 30 November 2021

4,222

6,746

10,968

NET BOOK VALUE

At 30 November 2021

44,911

At 30 November 2020

6,070

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

10. **INTANGIBLE ASSETS - continued**

Company

	Development costs £
COST	
At 1 December 2020	10,292
Addition	45,587
and 30 November 2021	<u>55,879</u>
AMORTISATION	
At 1 December 2020	4,222
Charge for the year	6,746
and 30 November 2021	<u>10,968</u>
NET BOOK VALUE	
At 30 November 2021	<u>44,911</u>
At 30 November 2020	<u>6,070</u>

11. **PROPERTY, PLANT AND EQUIPMENT**

Group

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 December 2020	1,307,317	57,847	607,802	1,972,966
Additions	<u>486,402</u>	<u>15,792</u>	<u>317,521</u>	<u>819,715</u>
At 30 November 2021	<u>1,793,719</u>	<u>73,639</u>	<u>925,323</u>	<u>2,792,681</u>
DEPRECIATION				
At 1 December 2020	413,487	33,297	278,590	725,374
Charge for year	<u>326,109</u>	<u>16,015</u>	<u>150,728</u>	<u>492,852</u>
At 30 November 2021	<u>739,596</u>	<u>49,312</u>	<u>429,318</u>	<u>1,218,226</u>
NET BOOK VALUE				
At 30 November 2021	<u>1,054,123</u>	<u>24,327</u>	<u>496,005</u>	<u>1,574,455</u>
At 30 November 2020	<u>893,830</u>	<u>24,550</u>	<u>329,212</u>	<u>1,247,592</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

11. **PROPERTY, PLANT AND EQUIPMENT - continued**

Company

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 December 2020	184,198	23,573	247,530	455,301
Additions	-	-	290,139	290,139
At 30 November 2021	184,198	23,573	537,669	745,440
DEPRECIATION				
At 1 December 2020	29,669	20,134	93,126	142,929
Charge for year	14,835	3,437	101,093	119,365
At 30 November 2021	44,504	23,571	194,219	262,294
NET BOOK VALUE				
At 30 November 2021	139,694	2	343,450	483,146
At 30 November 2020	154,529	3,439	154,404	312,372

12. **INVESTMENTS**

Group

	Shares in group undertakings £
COST	
At 1 December 2020 and 30 November 2021	9,599
NET BOOK VALUE	
At 30 November 2021	9,599
At 30 November 2020	9,599

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

12. **INVESTMENTS - continued**

Company

Shares in
group
undertakings
£

COST

At 1 December 2020

977,580

Additions

31,237

At 30 November 2021

1,008,817

NET BOOK VALUE

At 30 November 2021

1,008,817

At 30 November 2020

977,580

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

12. **INVESTMENTS - continued**

Details of undertakings

Details of the investments in which the Group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Class of shares held	Proportion of Voting Rights and shares held		Company number
			2021	2020	
ALM Solutions Limited	England and Wales	Ordinary	85.00%	85.00%	SC394971
Avalon Accounting Limited	England and Wales	Ordinary	95.00%	95.00%	09127727
Baker Watkin Accounting Ltd	England and Wales	Ordinary	90.10%	90.10%	12059192
Baker Watkin Associates LLP	England and Wales	Ordinary	90.10%	90.10%	OC346522
Benedict Mackenzie Recovery Limited	England and Wales	Ordinary	85.00%	85.00%	07769908
Cansdales (Nominees) Limited	England and Wales	Ordinary	80.00%	80.00%	03968314
Cansdales Business Advisers Limited	England and Wales	Ordinary	80.00%	80.00%	12170359
Gilroy & Brookes Accountants Limited	England and Wales	Ordinary	100.00%	100.00%	08709898
Julian Ansell Limited	England and Wales	Ordinary	NA	95.00%	04653990
Khans Accounting (Twickenham) Ltd	England and Wales	Ordinary	100.00%	100.00%	11704566
Lamosa Business Services Ltd	England and Wales	Ordinary	100.00%	100.00%	10425063
Ledger Sparks Limited	England and Wales	Ordinary	90.00%	90.00%	04430631
MLM CPS Limited	England and Wales	Ordinary	85.00%	85.00%	SC322618
Peter Hall Limited	England and Wales	Ordinary	85.00%	85.00%	07013622
Ramon Lee Ltd	England and Wales	Ordinary	100.00%	100.00%	11512845
SKS (Croydon) Ltd	England and Wales	Ordinary	90.00%	90.00%	11020546
SKS (London City) Ltd	England and Wales	Ordinary	100.00%	100.00%	11506244
SKS (North East) Limited	England and Wales	Ordinary	100.00%	100.00%	12746284
SKS (SO-BH) Midco Limited	England and Wales	Ordinary	95.05%	90.10%	12063470
SKS (TN-RH) Ltd	England and Wales	Ordinary	100.00%	100.00%	09342315
SKS Avalon Ltd	England and Wales	Ordinary	100.00%	NA	13063859
SKS Bailey Group Limited	England and Wales	Ordinary	100.00%	NA	12748942
SKS Bailey Tax Limited	England and Wales	Ordinary	100.00%	NA	12919709
SKS Baker Watkin Ltd	England and Wales	Ordinary	100.00%	NA	13060582
SKS BL Limited	England and Wales	Ordinary	100.00%	NA	12052307
SKS Business Services (India) Private Limited	India	Ordinary	95.00%	95.00%	U74999GJ2016PTC093623
SKS Business Services Ltd	England and Wales	Ordinary	100.00%	NA	06418541
SKS Sachter Cohen & Bor Ltd (Formerly SKS BWM Limited)	England and Wales	Ordinary	100.00%	NA	13678390
SKS Cansdales Ltd	England and Wales	Ordinary	100.00%	NA	13059290
SKS DSM Ltd	England and Wales	Ordinary	100.00%	NA	13675012
SKS Gilroy & Brookes Limited	England and Wales	Ordinary	100.00%	NA	13062658
SKS Hilldean Ltd	England and Wales	Ordinary	100.00%	NA	13168599

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

12. **INVESTMENTS - continued**

Undertaking	Country of incorporation	Class of shares held	Proportion of Voting Rights and shares held		Company number
			2021	2020	
SKS HP Limited	England and Wales	Ordinary	80.00%	80.00%	12157664
SKS Liverpool Ltd	England and Wales	Ordinary	100.00%	NA	13674959
SKS Ledger Sparks Ltd	England and Wales	Ordinary	100.00%	NA	13063012
SKS Midco Limited (formerly SKS (SO-BH) 2 Ltd)	England and Wales	Ordinary	100.00%	NA	13157660
SKS Ramon Lee Ltd	England and Wales	Ordinary	100.00%	NA	13059230
SKS SG Limited	England and Wales	Ordinary	90.10%	90.10%	12052934
SKS Thompson Jones Ltd	England and Wales	Ordinary	100.00%	NA	13063966
SKS Ward Mackenzie Ltd	England and Wales	Ordinary	100.00%	NA	13062675
SKS Westlake Clark Ltd	England and Wales	Ordinary	100.00%	NA	13062346
SKSI Limited	England and Wales	Ordinary	85.00%	85.00%	09342312
Thompson Jones Business Solutions Limited	England and Wales	Ordinary	100.00%	100.00%	05301391
Wall & Co Limited	England and Wales	Ordinary	100.00%	100.00%	04127018
Ward Mackenzie Ltd	England and Wales	Ordinary	97.50%	97.50%	09342362
Westlake Clark Limited	England and Wales	Ordinary	95.05%	90.10%	05768419

The Group falls within the qualifying conditions under s475 to require an audit. The subsidiaries of the group are eligible for exemption from audit under s479-s479C of the Companies Act 2006. The ultimate parent company, SKS Business Services Limited, has provided necessary guarantees to the subsidiaries so that the latter can avail the audit exemption as above.

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

13. **INVENTORIES**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Work-in-progress	<u>4,656,582</u>	<u>3,971,772</u>	<u>41,866</u>	<u>3,390</u>

14. **TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Current:				
Trade debtors	3,766,626	3,068,597	91,999	363,945
Amounts owed by group undertakings	-	-	16,096,951	12,257,088
Other debtors	595,849	585,425	127,675	26,883
Directors' current accounts	12,412	12,830	-	12,830
VAT	-	-	30,189	-
Prepayments	<u>850,914</u>	<u>543,000</u>	<u>223,159</u>	<u>116,297</u>
	<u>5,225,801</u>	<u>4,209,852</u>	<u>16,569,973</u>	<u>12,777,043</u>

15. **CASH AND CASH EQUIVALENTS**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Cash in hand	8,839	7,221	-	-
Bank deposit account	5,629	5,629	-	-
Bank accounts	<u>398,055</u>	<u>1,142,410</u>	<u>36,678</u>	<u>241,798</u>
	<u>412,523</u>	<u>1,155,260</u>	<u>36,678</u>	<u>241,798</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
95,000	A Ordinary	1p	950	950
5,000	B Ordinary	1p	<u>50</u>	<u>50</u>
			<u>1,000</u>	<u>1,000</u>

17. **RESERVES**

Group

	Retained earnings £
At 1 December 2020	1,459,735
Deficit for the year	(857,954)
Dividends	<u>(226,004)</u>
At 30 November 2021	<u>375,777</u>

Company

	Retained earnings £
At 1 December 2020	36,105
Deficit for the year	320,876
Dividends	<u>(226,004)</u>
At 30 November 2021	<u>130,977</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

18 **TRADE AND OTHER PAYABLES**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Current:				
Trade creditors	1,039,754	830,721	501,503	265,869
PAYE/NI liability	1,159,424	842,218	435,609	203,443
Other creditors	442,924	852,666	105,803	7,162
Consideration payable < 1 year	2,403,052	1,076,250	-	-
Accrued expenses	575,216	326,007	482,330	417,074
Directors' current accounts	98,053	47,500	98,053	47,500
VAT	1,964,139	1,173,818	-	12,263
	<u>7,682,562</u>	<u>5,149,180</u>	<u>1,623,298</u>	<u>953,311</u>
Non-current:				
Consideration payable > 1 year	<u>104,013</u>	<u>4,050,876</u>	<u>-</u>	<u>-</u>
	<u>104,013</u>	<u>4,050,876</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>7,786,575</u>	<u>9,200,056</u>	<u>1,623,298</u>	<u>953,311</u>

19. **FINANCIAL LIABILITIES - BORROWINGS**

Balance of senior non-current loans arranged and managed by Shard Credit Partners £16,061,510 (2020: £13,039,343) are secured by a debenture on the Company. The effective rate of interest of these loans is 11.81% (2020: 11.84%)

During the year the Group entered into a debtors factoring agreement with Advantedge Commercial Finance Limited. Balance outstanding as of 30th November 2021 is £978,541 (2020: £Nil) after netting off the funds yet to be swept. Factored debtor balance is £1,412,685.

20. **LEASING**
Group
OTHER LEASES

	2021	2020
	£	£
Short-term leases	<u>951,991</u>	<u>354,919</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

20. **LEASING - continued**

Group
LEASE LIABILITIES

Minimum lease payments fall due as follows:

	2021 £	2020 £
Gross obligations repayable:		
Within one year	271,605	433,266
Between one and five years	912,199	560,298
	<u>1,183,804</u>	<u>993,564</u>
Net obligations repayable:		
Within one year	271,605	433,266
Between one and five years	<u>912,199</u>	<u>560,298</u>
	<u>1,183,804</u>	<u>993,564</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

20. **LEASING - continued**

Company
LEASE LIABILITIES

Minimum lease payments fall due as follows:

	2021 £	2020 £
Gross obligations repayable:		
Within one year	10,447	50,714
Between one and five years	159,383	128,402
	<u>169,830</u>	<u>179,116</u>
 Net obligations repayable:		
Within one year	10,447	50,714
Between one and five years	159,383	128,402
	<u>169,830</u>	<u>179,116</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

21. **FINANCIAL INSTRUMENTS**

2021	Amortised Cost	Fair value through Profit or loss (held for trading)	Balance in the statement of financial position
Trade and other receivables - excluding prepayments	4,729,034	(354,147)	4,374,887
Cash and bank balances	412,523		412,523
Borrowings	(16,061,508)		(16,061,508)
Trade and Other payables	7,569,237		7,569,237
Warrants	113,325		113,325

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis.

IFRS 13 requires the provision of information about how the company establishes the fair values of financial instruments.

Valuation techniques are divided into three levels based on the quality of inputs:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted prices included in level 1 that are observable, directly or indirectly;
- Level 3 inputs are unobservable.

The company's financial instruments that are measured at fair value are:

- Shares in listed entity classed as Level 1.
- Value of the financing warrants classed as Level 2.

Value of financing warrants, valued at £113k liability in 2021 (2020: £98k liability). These are classified as level 2. They are valued based on discounted cash flows. Future cash flows are estimated based on the value of the financing warrants at maturity in May 2023, discounted to present value of the reporting date.

There are no significant unobservable inputs.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Risk management

The company is exposed to market risk and liquidity risk in the normal course of business. These risks are limited by the company's financial management policies and practices described below. There has been no change to the company's exposure to financial risks or the manner in which these risks are managed and measured.

Market risk - general state of UK's economy.

The Group's export of services turnover is 2% of the total turnover in 2021. The health of the UK's economy will potentially impact the turnover of the business. The Company has a strong business development team to drive the revenue growth.

This has the bearing on the profitability of the Company and meeting the loan covenants.

Sensitivity analysis

It is estimated that for every percentage drop in turnover due to the impact of slowing UK/Global economy, Group's turnover will drop by half a percentage point.

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

Liquidity risk

The directors regularly monitor forecast and actual cash flows and match the maturity profiles of financial assets and liabilities to ensure proper liquidity risk management and to maintain adequate reserves, and borrowing facilities. As described above, the company's instruments that mature in next 2 years are classified as current liabilities. Interest payments are made quarterly.

22. PROVISIONS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other provisions	<u>113,325</u>	<u>99,250</u>	<u>111,955</u>	<u>99,250</u>
Analysed as follows:				
Current	<u>113,325</u>	<u>99,250</u>	<u>111,955</u>	<u>99,250</u>

Provisions	Group		Company	
	2021	2020	2021	2020
Opening	99,250	90,065	99,250	90,065
Addition during the year	<u>14,075</u>	<u>9,185</u>	<u>14,075</u>	<u>9,185</u>
Closing balance	<u>113,325</u>	<u>99,250</u>	<u>113,325</u>	<u>99,250</u>

The provision relates to financing warrants, the details and amount of which are disclosed under Financial Instrument in note 21 and in the Report of the Directors.

23. DEFERRED TAX

Group	2021	2020
	£	£
Balance at 1 December	546,708	423,707
Timing difference of Technical Knowhow	-	115,917
Timing difference of depreciation	<u>59,606</u>	<u>7,084</u>
Balance at 30 November	<u>606,314</u>	<u>546,708</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

23. **DEFERRED TAX - continued**

Company

	2021	2020
	£	£
Balance at 1 December	32,921	31,495
Capital allowance	<u>57,451</u>	<u>1,426</u>
Balance at 30 November	<u>90,372</u>	<u>32,921</u>

24. **CAPITAL MANAGEMENT**

The group is not subject to either internally or externally imposed capital requirements. The 's group's objective when managing capital is to provide sufficient resources to allow the continued investment in new acquisitions, so that it can continue to provide opportunities to its employees, investors and shareholders. The group uses scale to deliver cutting edge services to its clients.

The group manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/EBITDA analyses. No changes were made in the objectives, policies and processes during the current or previous year.

The directors consider the group's capital comprises:

- share capital and retained earnings - the total of this capital is £377k (2020: £1,461k); and
- borrowings which provide the funds for inorganic growth and working capital required by the company - the total of this capital is £16,061k (2020: £13,039k).

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

25. **RELATED PARTY DISCLOSURES**

For the purposes of these financial statements, a related party could be a person or an entity. Careful consideration is given to the definition of a related party to ensure that all related party relationships, transactions and balances are identified.

Plinian Capital Limited

S K.Swarup is founder and director of Plinian Capital Limited. SKS Business Services Limited raised invoices worth £107,287 for accounting and consultancy services to the company during current accounting year (Previous year - £90,687). Balance receivable as of 30th November 2021 was £25,768.

Circum Minerals Potash Limited BVI

S K Swarup is director of Circum Minerals Potash Limited BVI. SKS Business Services Limited raised invoices worth £Nil for accounting services to the company during current accounting year. (Previous year - £44,474) . Balance receivable as of 30th November 2021 was Nil.

WM Audit LLP

WM Audit LLP is an associate of SKS Group. Ward Mackenzie Limited raised invoices worth £59,814 for accounting services to the company during current accounting year. (Previous year - £104,040) . Balance receivable as of 30th November 2021 was £8,896.

RL Audit LLP

RL Audit LLP is an associate of SKS Group. Ramon Lee Limited raised invoices worth £111,028 for accounting services to the company during current accounting year. (Previous year - £244,868). Balance receivable as of 30th November 2021 was £15,680.

BW Audit LLP

BW Audit LLP is an associate of SKS Group. Baker Watkin Accounting Limited raised invoices worth £43,239 for accounting services to the company during current accounting year (Previous year - £19,850) . Balance receivable as of 30th November 2021 was £8,586.

BW Associates LLP

BW Associates LLP is an associate of SKS group. Baker Watkin Accounting Limited paid £65,666 for property rent current accounting year (Previous year - £63,256). Balance payable as of 30th November 2021 was £2,920.

Ledger Sparks Audit LLP

Ledger Sparks Audit LLP is an associate of SKS Group. Ledger Sparks Limited has raised invoices worth £205,934 for accounting services to the company during current accounting year. (Previous year - £97,322). Balance receivable as of 30th November 2021 was £134,510.

Ledger Sparks Audit LLP raised invoices worth £8,000 for accounting services to the company during the current accounting year. (Previous year - £Nil). Balance payable as of 30th November 2021 was £9,600.

Thompson Jones Audit LLP

Thompson Jones Audit LLP is an associate of SKS Group. Thompson Jones Limited raised invoices worth £119,193 for accounting services to the company during current accounting year (Previous year - £71,062). Balance receivable as of 30th November 2021 was £25,341.

Cansdales Audit LLP

Cansdales Audit LLP is an associate of SKS Group. Cansdales Business Advisers Limited raised invoices worth £198,572 for accounting services to the company during current accounting year (Previous year - £29,328). Balance receivable as of 30th November 2021 was £8,881.

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

25. **RELATED PARTY DISCLOSURES continued.**

Westlake Clark Audit LLP

Westlake Clark Audit LLP is an associate of SKS Group. SKS Group raised invoices worth £672,871 for accounting services to the company during current accounting year (Previous year - £330,252). Balance receivable as of 30th November 2021 was £186,570.

Westlake Clark Audit LLP raised invoices worth £15,232 for accounting services to SKS Group during current accounting year (Previous year - Nil). Balance payable as of 30th November 2021 was £18,315.

SKS Audit LLP

SKS Audit LLP is an associate of SKS Group. SKS Group raised invoices worth £110,786 for accounting services to the company during current accounting year (Previous year - Nil). Balance receivable as of 30th November 2021 was £60,388.

S K Swarup

Director's current balance was £24,553 payable as at 30 November 2021 (Previous year - £12,830 over drawn). S K Swarup owns property in India which is utilised by SKS Business Services (India) Private Limited where SKS Group owns 95% of the shareholding. No rent is charged by S K Swarup, approximate market rent is £18k per annum.

Less Tax for Landlords

Less Tax for Landlords and one of SKS Group subsidiaries, SKS Bailey Group Limited have a common director. SKS Bailey Group Limited raised invoices worth £197,235 for accounting services to the company during current accounting year. Balance receivable as of 30th November 2021 was £6,631.

26. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is considered to be S K Swarup by virtue of having 95% ownership of the shares in SKS Business Services Limited