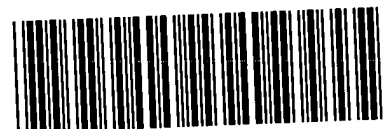


Amended 4

Group Strategic Report,
Report of the Directors and
Audited Consolidated Financial Statements
for the Year Ended 30 November 2020
for
SKS Business Services Limited

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for the Year Ended 30 November 2020

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SKS Business Services Limited

Company Information
for the Year Ended 30 November 2020

DIRECTORS:

A Swarup
S K Swarup

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 2020

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 £12,445k as compared to £8,686k in the previous year. Gross profit was £6,907k versus £4,832k in the previous year.

Gross Margin was 55% of the turnover in the year versus 56% in the prior year.

The Company has £20million credit facility arranged and managed by Shard Credit Partners. Of this, £13.8million was drawn as at 30th November 2020.

The maturity date for this loan is May 2023 and the debt is guaranteed by a debenture on the Company.

There are customary 'make whole' charges for early redemption of the loan.

PRINCIPAL RISKS AND UNCERTAINTIES

At present the principal risk to the Group is the Covid-19 pandemic which has brought some volatility in our monthly revenue numbers. We are also seeing some of our clients being affected by lessened trading as a result of cross-border issues created by UK leaving the European Union. We expect some businesses to fail which should be compensated with on boarding new clients with the help of increased business development effort.

Despite the impact of Covid-19 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 Company has committed finance facility agreement with Shard Credit Partners and has met all the loan agreement covenants consistently.

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.

ENVIRONMENTAL MATTERS

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

SKS Business Services Limited

Group Strategic Report
for the Year Ended 30 November 2020

FINANCIAL KEY PERFORMANCE INDICATORS

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

	2020	2019
Consolidated Revenue	£12,445,714	£8,686,579
Gross Profit	£6,907,059	£4,831,534
Gross Profit Margin	55%	56%
Overheads	£3,904,834	£2,558,868
Underlying EBITDA Before Leasing Costs	£3,002,225	£2,272,666
Leasing costs as per IFRS 16 (e.g office rent, office equipment)	125,219	104,857
Underlying EBITDA After Leasing Costs	2,877,006	2,167,809
Special costs	£773,824	£758,829
EBITDA	£2,103,182	£1,408,980
EBITDA Margin	17%	16%

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

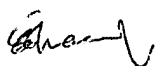
Special costs

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 Chartered Accountant - Director

Date: 17 November 2021

SKS Business Services Limited

Report of the Directors
for the Year Ended 30 November 2020

POST BALANCE SHEET EVENTS

The group has undertaken a detailed review of the potential impacts of Covid-19 in the future and continues to monitor developments closely. As at the date of this report we expect business to continue to operate efficiently over the coming months. The group has assessed the coronavirus pandemic as a non-adjusting post balance sheet event.

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 Standard 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 latter 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

The total distribution of dividends for the year ended 30 November 2020 was £227,000.

DIRECTORS

The directors who served during the year were as follows:

A Swarup
S K Swarup Chartered Accountant

Report of the Directors
for the Year Ended 30 November 2020

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 are payable at the time of the redemption of the loan. The Company recorded a fair value adjustment of £98,600 for the year ended 30th November 2020.

Employee Involvement

The group has taken various actions during the period to introduce, maintain and develop arrangements for employees. Some of the instances are listed below:

There are employee meetings/calls twice weekly, and the same for senior managers. This enables the regular communication of employee matters particularly during the COVID pandemic to ensure employees are systematically provided information on the matters of concern. Further, the calls are used for consultation. There are also weekly calls with specific employee groups (Practice Managers – each UK Practice and associated India Teams, Business Development). This is done on regular basis so that their views can be taken into account in making decisions which affect their interests.

To encourage the involvement of employees in the company's performance, there are reward schemes for the following: Business Development, all employees that refer business (new or existing clients) within the group; and the following in UK and India:

Employee of the month, Team of the month, Best Ideas, Best Team Player, outstanding progress, over and above.

Company results are shared by the CEO using the regular/weekly calls and the economic factors affecting the business are discussed at the same times thereby achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.

The directors have taken care in utilising extensive communication (as described above) to ensure employees have been/are communicated and engaged with on important decisions affecting employees. This has ensured that the group has stayed strong during this difficult period and has understood/taken into consideration individual employee challenges. In India there is an HR team checking through individual calls/appraisals to take constant feedback to the senior team for ideas and improvements for individuals and teams. In the UK there are quarterly appraisals that address the same.

The group is an equal opportunities employer and is committed to supporting the personal development of staff irrespective of gender, sexual orientation, ethnicity or disability, provided they have the abilities to perform the tasks required with or without training and is ready to provide retraining where necessary in cases when disability arises during employment with the group.

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 Chartered Accountant - Director

Date: 17 November 2021

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 2020 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 2020 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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.

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

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 five, 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.

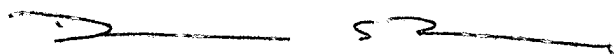
Auditors' responsibilities for the audit of the financial statements

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.

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: 17 November 2021

SKS Business Services Limited

Consolidated Statement of Profit or Loss
for the Year Ended 30 November 2020

	Notes	2020 £	2019 £
CONTINUING OPERATIONS			
Revenue		12,445,714	8,686,579
Cost of sales		<u>(5,538,655)</u>	<u>(3,855,045)</u>
GROSS PROFIT		6,907,059	4,831,534
Other operating income		219,898	-
Administrative expenses		(5,787,049)	(3,781,038)
Other operating expenses		<u>(246,474)</u>	<u>(167,013)</u>
OPERATING PROFIT		1,093,434	883,483
Finance costs	3	<u>(125,219)</u>	<u>(104,857)</u>
PROFIT BEFORE INCOME TAX	4	968,215	778,626
Income tax	6	<u>(167,186)</u>	<u>(160,164)</u>
PROFIT FOR THE YEAR		<u>801,029</u>	<u>618,462</u>
Profit attributable to:			
Owners of the parent		699,917	535,362
Non-controlling interests		<u>101,112</u>	<u>83,100</u>
		<u>801,029</u>	<u>618,462</u>

SKS Business Services Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 30 November 2020

	2020 £	2019 £
PROFIT FOR THE YEAR	801,029	618,462
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>801,029</u>	<u>618,462</u>
Total comprehensive income attributable to:		
Owners of the parent	699,917	535,362
Non-controlling interests	<u>101,112</u>	<u>83,100</u>

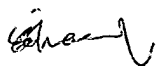
Consolidated Statement of Financial Position
30 November 2020

	Notes	2020 £	2019 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	9	14,935,624	9,449,416
Owned			
Intangible assets	10	6,070	871
Property, plant and equipment	11	1,247,592	1,378,547
Investments	12	<u>9,599</u>	<u>9,599</u>
		<u>16,198,885</u>	<u>10,838,433</u>
CURRENT ASSETS			
Inventories	13	3,971,772	2,883,080
Trade and other receivables	14	4,209,852	3,048,944
Cash and cash equivalents	15	<u>1,155,260</u>	<u>809,266</u>
		<u>9,336,884</u>	<u>6,741,290</u>
TOTAL ASSETS		<u><u>25,535,769</u></u>	<u><u>17,579,723</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	1,000	1,000
Retained earnings	17	<u>1,459,735</u>	<u>986,818</u>
		1,460,735	987,818
Non-controlling interests		<u>85,678</u>	<u>53,281</u>
TOTAL EQUITY		<u><u>1,546,413</u></u>	<u><u>1,041,099</u></u>

Consolidated Statement of Financial Position - continued
30 November 2020

	Notes	2020 £	2019 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	18	4,050,876	1,309,757
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	13,551,642	10,156,703
Deferred tax	23	546,708	423,707
		<u>18,149,226</u>	<u>11,890,167</u>
CURRENT LIABILITIES			
Trade and other payables	18	5,149,180	3,927,223
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	458,472	512,291
Tax payable		133,228	118,878
Provisions	22	99,250	90,065
		<u>5,840,130</u>	<u>4,648,457</u>
TOTAL LIABILITIES		<u>23,989,356</u>	<u>16,538,624</u>
TOTAL EQUITY AND LIABILITIES		<u>25,535,769</u>	<u>17,579,723</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17 November 2021 and were signed on its behalf by:



.....
S K Swarup Chartered Accountant - Director

Company Statement of Financial Position
30 November 2020

	Notes	2020 £	2019 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	10	6,070	871
Property, plant and equipment	11	312,372	336,776
Investments	12	977,580	966,530
		<u>1,296,022</u>	<u>1,304,177</u>
CURRENT ASSETS			
Inventories	13	3,390	1,910
Trade and other receivables	14	12,777,043	8,709,019
Cash and cash equivalents	15	241,798	243,968
		<u>13,022,231</u>	<u>8,954,897</u>
TOTAL ASSETS		<u><u>14,318,253</u></u>	<u><u>10,259,074</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	1,000	1,000
Retained earnings	17	36,105	32,722
TOTAL EQUITY		<u>37,105</u>	<u>33,722</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	13,119,746	9,621,959
Deferred tax	23	32,921	31,495
		<u>13,152,667</u>	<u>9,653,454</u>
CURRENT LIABILITIES			
Trade and other payables	18	953,311	372,410
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	75,920	109,423
Provisions	22	99,250	90,065
		<u>1,128,481</u>	<u>571,898</u>
TOTAL LIABILITIES		<u>14,281,148</u>	<u>10,225,352</u>
TOTAL EQUITY AND LIABILITIES		<u><u>14,318,253</u></u>	<u><u>10,259,074</u></u>

Company Statement of Financial Position - continued
30 November 2020

The financial statements were approved by the Board of Directors and authorised for issue on 17 November 2021 and were signed on its behalf by:



.....
S K Swarup - Director

SKS Business Services Limited

Consolidated Statement of Changes in Equity
for the Year Ended 30 November 2020

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 December 2018	1,000	658,456	659,456	55,139	714,595
Changes in equity					
Profit for the year	-	535,362	535,362	83,100	618,462
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	535,362	535,362	83,100	618,462
Dividends	-	(207,000)	(207,000)	(84,958)	(291,958)
Balance at 30 November 2019	<u>1,000</u>	<u>986,818</u>	<u>987,818</u>	<u>53,281</u>	<u>1,041,099</u>
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>

SKS Business Services Limited

Company Statement of Changes in Equity
for the Year Ended 30 November 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2018	1,000	403,300	404,300
Changes in equity			
Dividends	-	(207,000)	(207,000)
Total comprehensive income	<u>-</u>	<u>(163,578)</u>	<u>(163,578)</u>
Balance at 30 November 2019	<u>1,000</u>	<u>32,722</u>	<u>33,722</u>
Changes in equity			
Dividends	-	(227,000)	(227,000)
Total comprehensive income	<u>-</u>	<u>230,383</u>	<u>230,383</u>
Balance at 30 November 2020	<u>1,000</u>	<u>36,105</u>	<u>37,105</u>

SKS Business Services Limited

Consolidated Statement of Cash Flows
for the Year Ended 30 November 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	1,699,470	572,244
Interest paid		1,089,464	688,692
Lease interest paid		(125,217)	(104,856)
Tax paid		<u>(80,557)</u>	<u>(29,722)</u>
Net cash from operating activities		<u>2,583,160</u>	<u>1,126,358</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(229,045)	(858,006)
Acquisition payment		<u>(4,461,808)</u>	<u>(3,258,835)</u>
Net cash from investing activities		<u>(4,690,853)</u>	<u>(4,116,841)</u>
 Cash flows from financing activities			
New loans in year		3,800,000	4,248,052
Loan repayments in year		(32,471)	(82,473)
Interest paid		(1,018,127)	(646,952)
Dividends paid		<u>(295,715)</u>	<u>(291,958)</u>
Net cash from financing activities		<u>2,453,687</u>	<u>3,226,669</u>
 Increase in cash and cash equivalents		<u>345,994</u>	<u>236,186</u>
Cash and cash equivalents at beginning of year	2	<u>809,266</u>	<u>573,080</u>
 Cash and cash equivalents at end of year	2	<u><u>1,155,260</u></u>	<u><u>809,266</u></u>

SKS Business Services Limited

Notes to the Consolidated Statement of Cash Flows
for the Year Ended 30 November 2020

1. **RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2020	2019
	£	£
Profit before income tax	968,215	778,626
Depreciation charges	359,999	214,290
Bank charges	(71,336)	(41,740)
Impairment of asset	22,292	(271,331)
Amortization charges	19,645	70,682
Finance costs	<u>125,219</u>	<u>104,857</u>
	1,424,034	855,384
Increase in work in process	(1,088,692)	(851,606)
Increase in trade and other receivables	(1,204,834)	(1,364,244)
Increase in trade and other payables	<u>2,568,965</u>	<u>1,932,710</u>
Cash generated from operations	<u><u>1,699,470</u></u>	<u><u>572,244</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 2020

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

Year ended 30 November 2019

	30.11.19	1.12.18
	£	£
Cash and cash equivalents	<u><u>809,266</u></u>	<u><u>573,080</u></u>

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.

Information of the first time adoption of IFRS 16 is given in note 28,29 and 30.

BASIS OF CONSOLIDATION

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 November 2020.

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

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, which is when the computer components have been delivered and legal title has passed. 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.

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. 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%

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

1. **ACCOUNTING POLICIES - continued**

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 work in progress is maintained by shared service subsidiary, it is calculated by staging method and where work in progress is maintained by local unit, it is calculated by actual realizable time booked.

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.

1. ACCOUNTING POLICIES - continued

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.

GOING CONCERN

The directors have carefully considered the impact of Covid-19 on the group's financial position, liquidity and future performance. As set out in the strategic report, the group has continued to trade strongly throughout the Covid-19 pandemic and the directors believe that it is experiencing good levels of sales growth and profitability. Therefore, 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. To determine such indication, group has defined 25% minimum EBIDTA as standard EBITDA percentage. For any group company which has completed 12 months trading since acquisition, the group assesses EBITDA percentage of such a company and if percentage is lower than 25%, the group amortizes goodwill of such a company by 4 times of the difference and vice versa. Where it is not possible to estimate the recoverable amount of the asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

1. ACCOUNTING POLICIES – continued

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.

Provision for bad debt is created for all receivables older than 90 days or 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

Provisions are 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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

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**

	2020	2019
	£	£
Wages and salaries	6,393,175	4,300,445
Social security costs	514,038	325,156
Other pension costs	<u>116,566</u>	<u>109,929</u>
	<u><u>7,023,779</u></u>	<u><u>4,735,530</u></u>

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

	2020	2019
Directors	16	11
Accounting staff	443	285
Admin staff	<u>30</u>	<u>21</u>
	<u><u>489</u></u>	<u><u>317</u></u>

	2020	2019
	£	£
Directors' remuneration	<u><u>1,168,001</u></u>	<u><u>659,880</u></u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

2. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Emoluments etc	<u>140,000</u>	<u>120,000</u>

3. NET FINANCE COSTS

	2020	2019
	£	£
Finance costs:		
Leasing	<u>125,219</u>	<u>104,857</u>

4. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	2020	2019
	£	£
Work in process recognised as expense	5,538,655	3,855,045
Short term lease	354,919	229,737
Depreciation - owned assets	359,999	214,290
Goodwill impairment	146,570	54,935
Development costs amortisation	111	868
Foreign exchange differences	<u>409</u>	<u>2,458</u>

5. AUDITORS' REMUNERATION

Auditors' remuneration for the year 2019-20 as below.

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

6. INCOME TAX

Analysis of tax expense

	2020	2019
	£	£
Current tax:		
Tax	45,335	16,287
Deferred tax	<u>121,851</u>	<u>143,877</u>
Total tax expense in consolidated statement of profit or loss	<u><u>167,186</u></u>	<u><u>160,164</u></u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

Reconciliation of corporation tax included in profit and loss

	2020 £	2019 £
Tax on accounting profit at the applicable rate 19% (2019 19%)	183,961	147,939
Less: -		
Difference between depreciation as reported in account and per tax rule	10,800	(3,904)
Impairment of asset	4,235	(51,553)
Non-deductible cost	1,882	4,163
Knowhow amortized as per tax rule	(105,118)	(58,856)
Adjustment of prior period loss brought forward	(18,630)	(18,559)
Adjustment due to tax difference of foreign country	5,710	4,679
Others	(37,506)	(7,622)
Adjustment of deferred tax	121,851	143,877
Total tax cost	<u>167,185</u>	<u>160,164</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 £230,383 (2019 - £(163,578) loss).

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 £227,000 for the year (2019 - £207,000) on 95,000 class A shares which £2.39 per share (2019 - £2.18 per share)

9. GOODWILL

	£
COST	
At 1 December 2019	9,813,250
Additions	5,508,499
Reversal of impairments	<u>124,279</u>
At 30 November 2020	<u>15,446,028</u>
AMORTISATION	
At 1 December 2019	363,834
Impairments	<u>146,570</u>
At 30 November 2020	<u>510,404</u>
NET BOOK VALUE	
At 30 November 2020	<u>14,935,624</u>
At 30 November 2019	<u>9,449,416</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

10. **INTANGIBLE ASSETS**

Group

	Development costs £
COST	
At 1 December 2019	4,982
Additions	<u>5,310</u>
At 30 November 2020	<u>10,292</u>
AMORTISATION	
At 1 December 2019	4,111
Amortisation for year	<u>111</u>
At 30 November 2020	<u>4,222</u>
NET BOOK VALUE	
At 30 November 2020	<u>6,070</u>
At 30 November 2019	<u>871</u>

Company

	Development costs £
COST	
At 1 December 2019	4,982
Additions	<u>5,310</u>
At 30 November 2020	<u>10,292</u>
AMORTISATION	
At 1 December 2019	4,111
Amortisation for year	<u>111</u>
At 30 November 2020	<u>4,222</u>
NET BOOK VALUE	
At 30 November 2020	<u>6,070</u>
At 30 November 2019	<u>871</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

11. **PROPERTY, PLANT AND EQUIPMENT**

Group

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 December 2019	1,224,632	54,509	464,781	1,743,922
Additions	<u>82,685</u>	<u>3,338</u>	<u>143,021</u>	<u>229,044</u>
At 30 November 2020	<u>1,307,317</u>	<u>57,847</u>	<u>607,802</u>	<u>1,972,966</u>
DEPRECIATION				
At 1 December 2019	167,013	22,984	175,378	365,375
Charge for year	<u>246,474</u>	<u>10,313</u>	<u>103,212</u>	<u>359,999</u>
At 30 November 2020	<u>413,487</u>	<u>33,297</u>	<u>278,590</u>	<u>725,374</u>
NET BOOK VALUE				
At 30 November 2020	<u>893,830</u>	<u>24,550</u>	<u>329,212</u>	<u>1,247,592</u>
At 30 November 2019	<u>1,057,619</u>	<u>31,525</u>	<u>289,403</u>	<u>1,378,547</u>

Company

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 December 2019	184,198	23,301	201,681	409,180
Additions	<u>-</u>	<u>272</u>	<u>45,849</u>	<u>46,121</u>
At 30 November 2020	<u>184,198</u>	<u>23,573</u>	<u>247,530</u>	<u>455,301</u>
DEPRECIATION				
At 1 December 2019	14,835	15,701	41,868	72,404
Charge for year	<u>14,834</u>	<u>4,433</u>	<u>51,258</u>	<u>70,525</u>
At 30 November 2020	<u>29,669</u>	<u>20,134</u>	<u>93,126</u>	<u>142,929</u>
NET BOOK VALUE				
At 30 November 2020	<u>154,529</u>	<u>3,439</u>	<u>154,404</u>	<u>312,372</u>
At 30 November 2019	<u>169,363</u>	<u>7,600</u>	<u>159,813</u>	<u>336,776</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

12. **INVESTMENTS**

Group

Shares in
group
undertakings
£

COST

At 1 December 2019

9,597

Additions

-

At 30 November 2020

9,599

NET BOOK VALUE

At 30 November 2020

9,599

At 30 November 2019

9,599

Company

Shares in
group
undertakings
£

COST

At 1 December 2019

966,530

Additions

11,050

At 30 November 2020

977,580

NET BOOK VALUE

At 30 November 2020

977,580

At 30 November 2019

966,530

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

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
			2020	2019	
ALM Solutions Limited	England and Wales	Ordinary	85%	85%	SC394971
Avalon Accounting Limited	England and Wales	Ordinary	95%	95%	09127727
Baker Watkin Accounting Ltd	England and Wales	Ordinary	90.10%	0%	12059192
Benedict Mackenzie Recovery Limited	England and Wales	Ordinary	85%	85%	07769908
Cansdales (Nominees) Limited	England and Wales	Ordinary	80%	0%	03968314
Cansdales Business Advisers Limited	England and Wales	Ordinary	80%	0%	12170359
Gilroy & Brookes Accountants Limited	England and Wales	Ordinary	100%	100%	08709898
Julian Ansell Limited	England and Wales	Ordinary	100%	100%	04653990
Khans Accounting (Twickenham) Limited	England and Wales	Ordinary	100%	0%	11704556
Lamosa Business Services Limited	England and Wales	Ordinary	100%	0%	10425063
Ledger Sparks Limited	England and Wales	Ordinary	90%	90%	04430631
MLM CPS Limited	England and Wales	Ordinary	85%	85%	SC322618
Peter Hall Limited	England and Wales	Ordinary	85%	85%	07013622
Ramon Lee Limited	England and Wales	Ordinary	100%	100%	11512845
SKS (Croydon) Limited	England and Wales	Ordinary	90%	90%	11020546
SKS (North East) Limited	England and Wales	Ordinary	100%	100%	12746284
SKS (SO-BH) Midco Limited	England and Wales	Ordinary	90.10%	0%	12063470
SKS (TN-RH) Limited	England and Wales	Ordinary	100%	100%	09342315
SKS Bailey Group Limited	England and Wales	Ordinary	100%	100%	12748942
SKS Bailey Tax Limited	England and Wales	Ordinary	100%	100%	12919709
SKS BL Limited	England and Wales	Ordinary	100%	0%	12052307
SKS Business Services (India) Private Limited	India	Ordinary	95%	95%	U74999GJ2016PTC093623
SKS HP Limited	England and Wales	Ordinary	80%	0%	12157664
SKS (London City) Ltd	England and Wales	Ordinary	100%	100%	11506244
SKS SG Limited	England and Wales	Ordinary	90.10%	0%	12052934
SKSI Limited (Formerly known as Benedict Mackenzie Limited)	England and Wales	Ordinary	85%	85%	9342312
Thompson Jones Business Solutions Limited	England and Wales	Ordinary	100%	0%	05301391
Wall & Co Limited	England and Wales	Ordinary	100%	100%	04127018
Ward Mackenzie Limited	England and Wales	Ordinary	97.50%	97.50%	09342362
Westlake Clark Limited	England and Wales	Ordinary	90.10%	0%	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 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 latter can avail the audit exemption as above.

13. INVENTORIES

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Work-in-progress	<u>3,971,772</u>	<u>2,883,080</u>	<u>3,390</u>	<u>1,910</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Current:				
Trade debtors	3,068,597	2,314,025	363,945	153,771
Amounts owed by group undertakings	-	-	12,257,088	8,398,464
Other debtors	585,425	330,158	26,883	25,956
Directors' current accounts	12,830	56,837	12,830	56,837
VAT	-	-	-	4,437
Prepayments	543,000	347,924	116,297	69,554
	<u>4,209,852</u>	<u>3,048,944</u>	<u>12,777,043</u>	<u>8,709,019</u>

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Cash in hand	7,221	6,374	-	-
Bank deposit account	5,629	5,629	-	-
Bank accounts	<u>1,142,410</u>	<u>797,263</u>	<u>241,798</u>	<u>243,968</u>
	<u>1,155,260</u>	<u>809,266</u>	<u>241,798</u>	<u>243,968</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
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>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

17. RESERVES

Group

	Retained earnings £
At 1 December 2019	986,818
Profit for the year	699,917
Dividends	<u>(227,000)</u>
At 30 November 2020	<u><u>1,459,735</u></u>

Company

	Retained earnings £
At 1 December 2019	32,722
Profit for the year	230,383
Dividends	<u>(227,000)</u>
At 30 November 2020	<u><u>36,105</u></u>

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Current:				
Trade creditors	830,721	385,235	265,869	57,206
PAYE/Ni liability	842,218	318,896	203,443	57,542
Other creditors	852,666	504,521	7,162	16,019
Consideration payable < 1 year	1,076,250	1,849,840	-	-
Accrued expenses	326,007	161,684	417,074	212,143
Directors' current accounts	47,500	29,500	47,500	29,500
VAT	<u>1,173,818</u>	<u>677,547</u>	<u>12,263</u>	<u>-</u>
	<u><u>5,149,180</u></u>	<u><u>3,927,223</u></u>	<u><u>953,311</u></u>	<u><u>372,410</u></u>
Non-current:				
Other creditors	<u>4,050,876</u>	<u>1,309,757</u>	<u>-</u>	<u>-</u>
	<u><u>4,050,876</u></u>	<u><u>1,309,757</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Aggregate amounts	<u><u>9,200,056</u></u>	<u><u>5,236,980</u></u>	<u><u>953,311</u></u>	<u><u>372,410</u></u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

19. **FINANCIAL LIABILITIES - BORROWINGS**

Balance of senior non-current loans arranged and managed by Shard Credit Partners £13,039,343 (2019: £9,486,335) are secured by a debenture on the Company. The effective rate of interest of these loans is 11.84% (2019: 11.96%)

Other loans are unsecured.

20. **LEASING**
Group
OTHER LEASES

	2020 £	2019 £
Short-term leases	<u>354,919</u>	<u>229,737</u>

Group
LEASE LIABILITIES

Minimum lease payments fall due as follows:

	2020 £	2019 £
Gross obligations repayable:		
Within one year	433,266	454,614
Between one and five years	560,298	670,368
	<u>993,564</u>	<u>1,124,982</u>
Net obligations repayable:		
Within one year	433,266	454,614
Between one and five years	<u>560,298</u>	<u>670,368</u>
	<u>993,564</u>	<u>1,124,982</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

20. **LEASING - continued**

Company

LEASE LIABILITIES

Minimum lease payments fall due as follows:

	2020 £	2019 £
Gross obligations repayable:		
Within one year	50,714	51,746
Between one and five years	128,402	135,624
	<u>179,116</u>	<u>187,370</u>
Net obligations repayable:		
Within one year	50,714	51,746
Between one and five years	128,402	135,624
	<u>179,116</u>	<u>187,370</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

21. FINANCIAL INSTRUMENTS

2020	Amortised Cost	Fair value through Profit or loss (held for trading)	Balance in the statement of financial position
Trade and other receivables - excluding prepayments	3,366,431	(200,581)	3,165,850
Cash and bank balances	1,155,527	-	1,155,527
Borrowings	13,039,343	-	13,039,343
Trade and Other payables	5,013,617	-	5,013,617
Warrants	98,600	-	98,600

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 £98k liability in 2020(2019: £88k 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 4% of the total turnover in 2020. The health of the UK's economy will potentially impact the turnover of the business.

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 2020

Risk management

The Company has a strong business development team to drive the revenue growth.

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.

The Company has sufficient head room in its borrowing capacity to weather a squeeze on cashflow due to the difficult Covid-19 related trading conditions.

22. PROVISIONS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Other provisions	<u>99,250</u>	<u>90,065</u>	<u>99,250</u>	<u>90,065</u>
Analysed as follows:				
Current	<u>99,250</u>	<u>90,065</u>	<u>99,250</u>	<u>90,065</u>

Provisions	Group		Company	
	2020	2019	2020	2019
Opening	90,065	69,728	90,065	69,728
Addition during the year	9,185	20,337	9,185	20,337
Closing balance	<u>99,250</u>	<u>90,065</u>	<u>99,250</u>	<u>90,065</u>

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

23. DEFERRED TAX

Group	2020	2019
	£	£
Balance at 1 December	423,707	279,830
Timing difference of Technical Knowhow	115,917	135,378
Timing difference of depreciation	<u>7,084</u>	<u>8,499</u>
Balance at 30 November	<u>546,708</u>	<u>423,707</u>

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

23. **DEFERRED TAX - continued**

Company

	2020	2019
	£	£
Balance at 1 December	(31,495)	(22,076)
Capital allowance	<u>(1,426)</u>	<u>(9,419)</u>
Balance at 30 November	<u>(32,921)</u>	<u>(31,495)</u>

Company

24. **CAPITAL MANAGEMENT**

The group is not subject to either internally or externally imposed capital requirements. The 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 £1,461k (2019: £988k); and
- borrowings which provide the funds for inorganic growth and working capital required by the company - the total of this capital is £13,039k (2019: £9,544k).

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

Mr. Sanjay Swarup is founder and director of Plinian Capital Limited. SKS Business Services Limited raised invoices worth £90,687 for accounting and consultancy services to the company during current accounting year. (Previous year - £135,804)

Circum Minerals Potash Limited BVI

Mr. Sanjay Swarup is director of Circum Minerals Potash Limited BVI. SKS Business Services Limited raised invoices worth £44,474 for accounting services to the company during current accounting year. (Previous year - £75,252)

WM Audit LLP

WM Audit LLP is an associate of SKS Group. Ward Mackenzie Limited raised invoices worth £ 104,040 for accounting services to the company during current accounting year. (Previous year - £80,916)

RL Audit LLP

RL Audit LLP is an associate of SKS Group. Ramon Lee Limited raised invoices worth £244,868 for accounting services to the company during current accounting year. (Previous year - £230,704)

BW Audit LLP

BW Audit LLP is an associate of SKS Group. Baker Watkin Accounting Limited raised invoices worth £19,850 for accounting services to the company during current accounting year.

BW Associates LLP

BW Associates LLP is an associate of SKS group. Baker Watkin Accounting Limited paid £63,256 for property rent current accounting year

Ledger Sparks Audit LLP

Ledger Sparks Audit LLP is an associate of SKS Group. Ledger Sparks Limited has raised invoices worth £ 97,322 for accounting services to the company during current accounting year. (Previous year - £81,999)

Thompson Jones Audit LLP

Thompson Jones Audit LLP is an associate of SKS Group. Thompson Jones Limited raised invoices worth £71,062 for accounting services to the company during current accounting year.

Cansdales Audit LLP

Cansdales Audit LLP is an associate of SKS Group. Cansdales Business Advisers Limited raised invoices worth £29,328 for accounting services to the company during current accounting year.

Westlake Clark

Westlake Clark is an associate of SKS Group. Westlake Clark Audit LLP raised invoices worth £330,252 for accounting services to the company during current accounting year.

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

S K Swarup

Directors current balance is over drawn by £12,830 as at 30 November 2020. This was cleared within 9 months after the reporting date. (Previous year - £56,837)

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

27. IFRS 16 ADOPTION 2018-19 - IFRS 16 ADJUSTMENT - GROUP

The Group has applied IFRS 16 retrospectively. The following tables summarise the impacts of adopting the new accounting standard on the Group's financial statements.

2019	Filed Accounts £	IFRS 16 Adjustment £	Restated Accounts £
Revenue	8,686,579	-	8,686,579
Cost of sales	(3,855,045)	-	(3,855,045)
Gross profit	4,831,534	-	4,831,534
Administrative expenses	(3,998,826)	72,559	(3,926,267)
Other operating expenses	-	(21,784)	(21,784)
Operating profit/(loss)	832,708	50,775	883,483
Finance cost	-	(104,857)	(104,857)
Profit/(Loss) before income tax	832,708	(54,082)	778,626
Income tax	(160,164)	-	(160,164)
Profit/(Loss) for the year	672,544	(54,082)	618,462

IFRS 16 Transition	£	Explanation
Rent	448,338	Eliminated due to adoption of IFRS 16
Short term lease	(230,550)	Lease falling within one year.
Lease interest	(104,857)	Interest charged pursuant to IFRS 16
		Lease depreciation due to IFRS 16
Leasehold depreciation	(167,013)	adjustments
Total	(54,082)	

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

28. **IFRS 16 ADOPTION 2018-19 - FINANCIAL POSITION - GROUP**

Particulars	Filed accounts £	IFRS 16 Adjustment £	Restated accounts £
Non-current assets			
Goodwill	9,449,416	-	9,449,416
Intangible assets	871	-	871
Property, plant and equipment	320,929	1,057,618	1,378,547
Investment	9,599	-	9,599
	9,780,815	1,057,618	10,838,433
Current assets			
Inventories	2,883,080	-	2,883,080
Trade and other receivables	3,048,944	-	3,048,944
Cash and cash equivalents	809,266	-	809,266
	6,741,290	-	6,741,290
Total assets	16,522,105	1,057,618	17,579,723
Equity			
Shareholders' equity			
Called up share capital	1,000	-	1,000
Retained earnings	1,054,182	(67,364)	986,818
	1,055,182	(67,364)	987,818
Non-controlling interests	53,281	-	53,281
Total equity	1,108,463	(67,364)	1,041,099
Liabilities			
Non-current liabilities			
Trade and other payables	1,309,757	-	1,309,757
Financial liabilities - borrowings interest bearing loans and borrowings	9,486,335	670,368	10,156,703
Deferred tax	423,707	-	423,707
	11,219,799	670,368	11,890,167
Current liabilities			
Trade and other payables	3,927,223	-	3,927,223
Financial liabilities - borrowings interest bearing loans and borrowings	57,677	454,614	512,291
Tax payable	118,878	-	118,878
Provisions	90,065	-	90,065
	4,193,843	454,614	4,648,457
Total liabilities	15,413,642	1,124,982	16,538,624
Total equity and liabilities	16,522,105	1,057,618	17,579,723

SKS Business Services Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2020

29. **IFRS 16 ADOPTION 2018-19 - FINANCIAL POSITION - COMPANY**

Particulars	Filed accounts £	IFRS 16 Adjustment £	Restated accounts £
Non-current assets			
Intangible assets	871	-	871
Property, plant and equipment	167,413	169,363	336,776
Investment	966,530	-	966,530
	1,134,814	169,363	1,304,177
Current assets			
Inventories	1,910	-	1,910
Trade and other receivables	8,709,019	-	8,709,019
Cash and cash equivalents	243,968	-	243,968
	8,954,897	-	8,954,897
Total assets	10,089,711	169,363	10,259,074
Equity			
Shareholders' equity			
Called up share capital	1,000	-	1,000
Retained earnings	50,729	(18,007)	32,722
Total equity	51,729	(18,007)	33,722
Liabilities			
Non-current liabilities			
Financial liabilities - borrowings interest bearing loans and borrowings	9,486,335	135,624	9,621,959
Deferred tax	31,495	-	31,495
	9,517,830	135,624	9,653,454
Current liabilities			
Trade and other payables	372,410	-	372,410
Financial liabilities - borrowings interest bearing loans and borrowings	57,677	51,746	109,423
Provisions	90,065	-	90,065
	520,152	51,746	571,898
Total liabilities	10,037,982	187,370	10,225,352
Total equity and liabilities	10,089,711	169,363	10,259,074