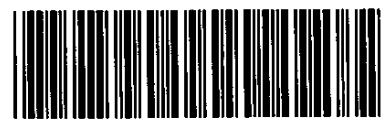


Group Strategic Report,
Report of the Directors and
Audited Consolidated Financial Statements
for the Year Ended 30 November 2022
for
SKS Business Services Ltd

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SKS Business Services Ltd

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for the Year Ended 30 November 2022

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SKS Business Services Ltd

Company Information
for the Year Ended 30 November 2022

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:

Dunhams Chartered Accountants and Statutory Auditors
11 Warwick Road
Old Trafford, Manchester
M16 0QQ

SKS Business Services Ltd

Group Strategic Report
for the Year Ended 30 November 2022

Principal activity

SKS Business Services Ltd 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 Ltd and its subsidiaries) is of providing accounting, tax and business rescue and business advisory services in the UK and overseas.

REVIEW OF BUSINESS

The Groups turnover was £17,867k as compared to £17,735k in the previous year. Gross profit was £7,090k versus £7,891k in the previous year.

Gross Margin was 40% of the turnover in the year versus 44% in the prior year.

The Group on 20th October 2022 completed a refinancing and acquisition facility of £48million. Since refinancing the Group has acquired three practices.

PRINCIPAL RISKS AND UNCERTAINTIES

At present the principal risks to the Group is the impact of the weakening of the UK economy and the wage inflationary pressure.

Although some client businesses may fail this 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 consider cash flow projections on a weekly basis and ensure that all its commitments are met. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Wage inflationary pressure is being countered by making the business processes more efficient and it is investing in digitising the business.

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 processes in place 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 considers the long-term future of the Group to be secure. The Group has continued to grow inorganically and organically during 2023 and will continue to do so indefinitely.

RESEARCH AND DEVELOPMENT

The Group recognises the importance of software development to its continued success and has made significant investments in this area. During the financial year, the Group invested in software development which resulted in the development of a number of new products and services, as well as the enhancement of existing products and services. The Group believes that these investments will have a positive impact on its financial performance in the long term. The Group claims R&D tax credits on this spend.

SKS Business Services Ltd
Group Strategic Report
for the Year Ended 30 November 2022

ENVIRONMENTAL MATTERS

The Group is committed to reducing its environmental impact and has implemented a number of initiatives to this end. One of the most significant initiatives has been the transition to a paperless office.

While there are some energy-related costs associated with running a paperless office, these costs are generally outweighed by the savings from reduced paper production and transportation. This has been proved by studies done by University of California, Berkeley. In addition, paperless offices can also save money on other expenses, such as filing cabinets, office supplies, and postage. As a result, switching to a paperless system can be a cost-effective way to reduce office's environmental impact. The Group is saving money, reducing its risk of regulatory compliance issues, and enhancing its reputation with customers and employees.

The Group is committed to continuing to identify and implement new ways to reduce its environmental impact.

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.

EMPLOYEES

Our employees are our most valuable asset, and we are committed to providing them with a supportive and rewarding work environment. We offer our employees a competitive compensation and benefits package, and we provide them with opportunities for training and development. We also have a number of initiatives in place to promote diversity, equity, and inclusion in our workplace.

We are committed to creating a workplace where everyone feels valued and respected, and we believe that our commitment to disability inclusion will help us to attract and retain top talent and improve our overall performance.

SUPPLIERS, CUSTOMERS AND OTHERS

We believe that our engagement with our suppliers and employees is essential to our success. We are committed to building strong relationships with both groups, and we believe that these relationships will help us to achieve our long-term goals.

Customers are the lifeblood of any business. They are the ones who buy your products or services, and they are the ones who keep your business afloat. It is therefore essential to understand your customers in order to meet their needs and expectations.

FINANCIAL KEY PERFORMANCE INDICATORS

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

	2022	2021
Consolidated Revenue	17,867,295	17,734,490
Gross Profit	7,089,835	7,890,033
Gross Profit Margin	40%	44%
Overheads	3,741,827	3,664,931
Underlying EBITDA Before Leasing Costs	3,348,009	4,225,102
Underlying EBITDA Margin	19%	24%
Leasing costs as per IFRS 16 (e.g office rent, office equipment)	399,661	478,328
Underlying EBITDA After Leasing Costs	2,948,348	3,746,774
Special costs	1,764,940	2,644,805
EBITDA	1,183,408	1,101,969
EBITDA Margin	7%	6%
Total assets less current liabilities	21,817,982	18,193,733

SKS Business Services Ltd
Group Strategic Report
for the Year Ended 30 November 2022

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

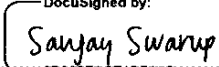
Special costs

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:

DocuSigned by:

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S K Swarup - Director

Date: 29 November 2023

SKS Business Services Ltd

Report of the Directors
for the Year Ended 30 November 2022

POST BALANCE SHEET EVENTS

The Group 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 the Group'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 Ltd, 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 2022 will be £25,000.

DIRECTORS

A Swarup
S K Swarup
R Penn-Newman

SKS Business Services Ltd

Report of the Directors
for the Year Ended 30 November 2022

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 did not a fair value adjustment (2021: £14,075) as the warrants were fully exercised and repaid during the year ended 30th November 2022.

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 2022. 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.

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.

AUDITORS

The auditor, Dunhams Chartered Accountants and Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

DocuSigned by:

Sanjay Swarup

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S K Swarup - Director

Date: 29 November 2023

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

Opinion

We have audited the financial statements of SKS Business Services Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30th November 2022 which comprise the Consolidated Statement of Profit or Loss, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards as regards the parent company financial statements, as applied 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 30th November 2022, and of the group's profit [loss] for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 or 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the financial reporting framework (IFRS), the Companies Act 2006 and the relevant UK tax compliance regulations. In addition, the Company has to comply with laws and regulations relating to its operations including the health and safety at work, anti-bribery and corruption regulations and General Data Protection Regulations.
- We understood how SKS Business Services Ltd, and its subsidiaries is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, as well as the consideration of the results of our audit procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team discussions and inquiry of management and those charged with governance.
- We considered the risk of management override, testing a sample population of journals, investigating them to gain an understanding and then agreeing a sample of them to source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved verifying that material transactions were recorded in compliance with IFRS and, where appropriate, Companies Act 2006.

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

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

Paul O'Brien

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Paul O'Brien BA FCA (Senior Statutory Auditor)
for and on behalf of Dunhams
Chartered Accountants and
Statutory Auditor
11 Warwick Road
Old Trafford
Stretford
Manchester
M16 0QQ

Date: 29 November 2023

SKS Business Services LtdConsolidated Statement of Profit or Loss
for the Year Ended 30 November 2022

	Notes	2022 £	2021 £
CONTINUING OPERATIONS			
Revenue		17,867,295	17,734,490
Cost of sales		<u>(10,777,460)</u>	<u>(9,844,457)</u>
GROSS PROFIT		7,089,835	7,890,033
Other operating income		-	48,253
Administrative expenses		(4,683,268)	(5,569,178)
Other operating expenses		(326,663)	(491,469)
Impairment recovered/(charged)		<u>173,971</u>	<u>(328,698)</u>
OPERATING PROFIT		2,253,875	1,548,941
Finance costs	3	<u>(2,459,548)</u>	<u>(2,235,109)</u>
LOSS BEFORE INCOME TAX	4	(205,673)	(686,168)
Income tax	6	<u>(20,016)</u>	<u>(59,606)</u>
LOSS FOR THE YEAR		<u>(225,689)</u>	<u>(745,774)</u>
Loss attributable to:			
Owners of the parent		(150,907)	(857,954)
Non-controlling interests		<u>(74,782)</u>	<u>112,180</u>
		<u>(225,689)</u>	<u>(745,774)</u>

The notes form part of these financial statements

SKS Business Services Ltd

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 30 November 2022

	2022 £	2021 £
(LOSS)/PROFIT FOR THE YEAR	(225,689)	(745,774)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(225,689)</u>	<u>(745,774)</u>
Total comprehensive income attributable to:		
Owners of the parent	(150,907)	(857,954)
Non-Controlling interest	<u>(74,782)</u>	<u>112,180</u>

The notes form part of these financial statements

SKS Business Services Ltd (Registered number: 06418541)**Consolidated Statement of Financial Position**
30 November 2022

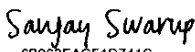
	Notes	2022 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	9	16,834,177	15,420,532
Owned			
Intangible assets	10	842,392	44,911
Property, plant and equipment	11	1,456,966	1,574,455
Investments	12	9,599	9,599
		<u>19,143,134</u>	<u>17,049,497</u>
CURRENT ASSETS			
Inventories	13	4,177,293	4,656,582
Trade and other receivables	14	6,081,194	5,225,801
Cash and cash equivalents	15	5,293,505	412,523
		<u>15,551,992</u>	<u>10,294,906</u>
TOTAL ASSETS		<u><u>34,695,126</u></u>	<u><u>27,344,403</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	1,111	1,000
Retained earnings	17	618,602	375,777
		619,713	376,777
Non-controlling interests		<u>73,289</u>	<u>132,920</u>
TOTAL EQUITY		<u><u>693,002</u></u>	<u><u>509,697</u></u>

The notes form part of these financial statements

SKS Business Services Ltd (Registered number: 06418541)**Consolidated Statement of Financial Position - continued**
30 November 2022

	Notes	2022 £	2021 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	18	233,000	104,013
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	19,543,436	-
Finance lease	20	751,081	912,199
Deferred tax	23	586,464	606,314
		<u>21,113,981</u>	<u>1,622,526</u>
CURRENT LIABILITIES			
Trade and other payables	18	10,775,631	7,682,562
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	-	16,061,510
Invoice financing	19	1,698,745	978,541
Finance lease	20	303,690	271,605
Tax payable		110,076	104,637
Provisions	22	-	113,325
		<u>12,888,142</u>	<u>25,212,180</u>
TOTAL LIABILITIES		<u>34,002,124</u>	<u>26,834,706</u>
TOTAL EQUITY AND LIABILITIES		<u>34,695,126</u>	<u>27,344,403</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 November 2023 and were signed on its behalf by:

DocuSigned by:

6B962FACF1D741C

S K Swarup - Director

The notes form part of these financial statements

SKS Business Services Ltd (Registered number: 06418541)**Company Statement of Financial Position**
30 November 2022

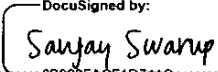
	Notes	2022 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	10	842,393	44,911
Property, plant and equipment	11	653,793	483,146
Investments	12	<u>1,111,971</u>	<u>1,008,817</u>
		<u>2,608,157</u>	<u>1,536,874</u>
CURRENT ASSETS			
Inventories	13	157,228	41,866
Trade and other receivables	14	14,226,917	16,569,973
Cash and cash equivalents	15	<u>5,088,532</u>	<u>36,678</u>
		<u>19,472,677</u>	<u>16,648,517</u>
TOTAL ASSETS		<u><u>22,080,834</u></u>	<u><u>18,185,391</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	1,111	1,000
Retained earnings	17	<u>45,243</u>	<u>130,977</u>
TOTAL EQUITY		<u>46,354</u>	<u>131,977</u>

The notes form part of these financial statements

SKS Business Services Ltd (Registered number: 06418541)**Company Statement of Financial Position - continued**
30 November 2022

	Notes	2022 £	2021 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	19,155,931	-
Finance lease	20	253,882	159,383
Deferred tax	23	72,426	90,372
		<u>19,482,239</u>	<u>249,755</u>
CURRENT LIABILITIES			
Trade and other payables	18	2,382,288	1,623,298
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	-	16,056,589
Invoice financing	19	115,753	-
Finance lease	20	54,200	10,447
Tax payable		-	-
Provisions	22	-	113,325
		<u>2,552,241</u>	<u>17,803,659</u>
TOTAL LIABILITIES		<u>22,034,480</u>	<u>18,053,414</u>
TOTAL EQUITY AND LIABILITIES		<u>22,080,834</u>	<u>18,185,391</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 November 2023 and were signed on its behalf by:

DocuSigned by:

 08902FACF10741C
 S K Swarup - Director

The notes form part of these financial statements

SKS Business Services LtdConsolidated Statement of Changes in Equity
for the Year Ended 30 November 2022

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 December 2020	1,000	1,459,735	1,460,735	85,678	1,546,413
Changes in equity					
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>
Changes in equity					
(Loss)/profit for the year	-	(150,907)	(150,907)	(74,782)	(225,689)
Shares issued during the year	111	-	111	-	111
Acquired during the year	-	529,766	529,766	-	529,766
Addition during the year	-	-	-	15,151	15,151
Total comprehensive income	111	378,859	378,970	(59,631)	319,339
Dividends	-	(136,034)	(136,034)	-	(136,034)
Balance at 30 November 2022	<u>1,111</u>	<u>618,602</u>	<u>619,713</u>	<u>73,289</u>	<u>693,002</u>

The notes form part of these financial statements

SKS Business Services Ltd

Company Statement of Changes in Equity
for the Year Ended 30 November 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2020	1,000	36,105	37,105
Changes in equity			
Issue of share capital	-	-	-
Dividends	-	(226,004)	(226,004)
Total comprehensive income	-	320,876	320,876
Balance at 30 November 2021	<u>1,000</u>	<u>130,977</u>	<u>131,977</u>
Changes in equity			
Issue of share capital	111	-	111
Dividends	-	(25,000)	(25,000)
Total comprehensive income	-	(60,734)	(60,734)
Balance at 30 November 2022	<u>1,111</u>	<u>45,243</u>	<u>46,354</u>

The notes form part of these financial statements

SKS Business Services Ltd**Consolidated Statement of Cash Flows
for the Year Ended 30 November 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	461,121	1,033,070
Tax paid		<u>7,336</u>	<u>(28,591)</u>
Net cash from operating activities		<u>468,457</u>	<u>1,004,479</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(323,137)	(819,715)
Purchase of fixed asset investments		<u>(2,046,123)</u>	<u>(859,193)</u>
Net cash from investing activities		<u>(2,369,260)</u>	<u>(1,678,908)</u>
Cash flows from financing activities			
New loans in year		21,019,720	2,825,000
New shares		111	-
Loan notes		7,000,000	-
Expenses incurred to procure loan		(1,782,278)	-
Loan repayments in year		(17,275,000)	(16,306)
Interest paid		(2,059,887)	(2,248,561)
Lease interest paid		-	(337,499)
Dividends paid		<u>(120,880)</u>	<u>(290,942)</u>
Net cash from financing activities		<u>6,781,786</u>	<u>(68,308)</u>
(Decrease)/increase in cash and cash equivalents		<u>4,880,983</u>	<u>(742,737)</u>
Cash and cash equivalents at beginning of year	2	<u>412,523</u>	<u>1,155,260</u>
Cash and cash equivalents at end of year	2	<u><u>5,293,506</u></u>	<u><u>412,523</u></u>

The notes form part of these financial statements

SKS Business Services LtdNotes to the Consolidated Statement of Cash Flows
for the Year Ended 30 November 2022**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Profit before income tax	(205,672)	(686,168)
Depreciation charges	440,627	492,852
Bank charges	-	175,722
Impairment of asset	(173,971)	328,698
Amortisation charge	8,968	6,746
Interest paid	2,059,887	2,072,839
Finance costs	-	337,499
	<u>2,129,839</u>	<u>2,728,188</u>
Increase/(decrease) in work in progress	479,291	(684,810)
Increase in trade and other receivables	(854,395)	(1,015,949)
(Decrease)/increase in trade and other payables	<u>(1,293,614)</u>	<u>5,641</u>
Cash generated from operations	<u>461,121</u>	<u>1,033,070</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 2022

	30.11.22	1.12.21
	£	£
Cash and cash equivalents	<u>5,293,505</u>	<u>412,523</u>

Year ended 30 November 2021

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

The notes form part of these financial statements

SKS Business Services Ltd

Notes to the Consolidated Financial Statements
for the Year Ended 30 November 2022

1. ACCOUNTING POLICIES

STATUTORY INFORMATION

SKS Business Services Ltd 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 Ltd 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 2022.

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.

Comparatives for 2021 have been reclassified wherever required for better presentation.

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 judgements 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 Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022

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 Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022

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

SKS Business Services Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022

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 Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022

1. **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 the 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.

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 Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022

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 recognises 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 LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 20221. **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**

	2022	2021
	£	£
Wages and salaries	7,287,600	7,288,512
Social security costs	806,809	755,406
Other pension costs	191,629	192,587
	<u>8,286,038</u>	<u>8,236,504</u>

Number of directors enrolled for pension scheme during the year were 14 (2021: 16).

Highest remuneration paid to a director was £227,251 (2021: £226,380)

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

	2022	2021
Directors	18	24
Accounting staff	704	623
Admin staff	<u>40</u>	<u>41</u>
	<u>762</u>	<u>688</u>

SKS Business Services Ltd**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022****2. EMPLOYEES AND DIRECTORS - continued**

	2022	2021
	£	£
Directors' remuneration	<u>1,128,688</u>	<u>2,200,421</u>

3. NET FINANCE COSTS

	2022	2021
	£	£
Finance costs:		
Interest	2,059,887	1,756,781
Leasing	399,661	478,328
	<u>2,459,548</u>	<u>2,235,109</u>

4. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	2022	2021
	£	£
WIP recognised as expense	10,777,460	9,289,194
Short term leases	399,661	478,328
Depreciation - owned assets	440,627	492,852
Goodwill impairment	(173,971)	328,698
Foreign exchange differences	<u>(12,177)</u>	<u>20,079</u>

5. AUDITORS' REMUNERATION

Auditors' remuneration for the year 2021-22 as below.

Name of the Auditor	Fee (£)
Dunhams Chartered Accountants and Statutory Auditors	35,000
Parvance and Associates	<u>110</u>
Total	<u>35,110</u>

SKS Business Services LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022**6. INCOME TAX****Analysis of tax expense**

	2022 £	2021 £
Current tax: Tax	-	-
Total current tax	-	-
Deferred tax	20,016	59,606
Total tax expense in consolidated statement of profit or loss	<u>20,016</u>	<u>59,606</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 loss for the financial year was £60,734 (2021 - £320,876 profit).

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 £Nil for the year (2021 - £170,004) on 95,000 class A shares at £Nil per share (2021 - £1.79 per share) and £Nil (2021 - £56,000) on 5,000 class B shares at £Nil per share each (2021 - £11.2 per share).

SKS Business Services LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 20229. **GOODWILL****Group**

£

COST

At 1 December 2021

16,259,634

Additions

1,239,674

As at 30 November 2022

17,499,308**AMORTISATION**

At 1 December 2021

839,102

Impairment

(173,971)

At 30 November 2022

665,131**NET BOOK VALUE**

At 30 November 2022

16,834,177

At 30 November 2021

15,420,53210. **INTANGIBLE ASSETS****Group**Development
costs
£**COST**

At 1 December 2021

55,879

Addition

806,450

and 30 November 2022

862,329**AMORTISATION**

At 1 December 2021

10,968

Charge for the year

8,968

and 30 November 2022

19,936**NET BOOK VALUE**

At 30 November 2022

842,393

At 30 November 2021

44,911

SKS Business Services LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 202210. **INTANGIBLE ASSETS - continued****Company**Development
costs
£**COST**

At 1 December 2021

55,879

Addition

806,450

and 30 November 2022

862,329**AMORTISATION**

At 1 December 2021

10,968

Charge for the year

8,968

and 30 November 2022

19,936**NET BOOK VALUE**

At 30 November 2022

842,393

At 30 November 2021

44,91111. **PROPERTY, PLANT AND EQUIPMENT****Group**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 December 2021	1,793,719	73,639	925,323	2,792,681
Additions	<u>-</u>	<u>1,939</u>	<u>321,199</u>	<u>323,138</u>
At 30 November 2022	<u>1,793,719</u>	<u>75,578</u>	<u>1,246,522</u>	<u>3,115,819</u>
DEPRECIATION				
At 1 December 2021	739,596	49,312	429,318	1,218,226
Charge for year	<u>282,484</u>	<u>3,297</u>	<u>154,846</u>	<u>440,627</u>
At 30 November 2022	<u>1,022,080</u>	<u>52,609</u>	<u>584,164</u>	<u>1,658,853</u>
NET BOOK VALUE				
At 30 November 2022	<u>771,639</u>	<u>22,969</u>	<u>662,358</u>	<u>1,456,966</u>
At 30 November 2021	<u>1,054,123</u>	<u>24,327</u>	<u>496,005</u>	<u>1,574,455</u>

SKS Business Services Ltd**Notes to the Consolidated Financial Statements - continued**
for the Year Ended 30 November 2022**11. PROPERTY, PLANT AND EQUIPMENT - continued****Company**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 December 2021	184,198	23,573	537,669	745,440
Additions	-	-	306,463	306,463
At 30 November 2022	184,198	23,573	844,132	1,051,903
DEPRECIATION				
At 1 December 2021	44,504	23,571	194,219	262,294
Charge for year	14,835	-	120,981	135,816
At 30 November 2022	59,339	23,571	315,200	398,110
NET BOOK VALUE				
At 30 November 2022	124,859	2	528,932	653,793
At 30 November 2021	139,694	2	343,450	483,146

12. INVESTMENTS**Group**

	Shares in group undertakings £
COST	
At 1 December 2021 and 30 November 2022	9,599
NET BOOK VALUE	
At 30 November 2022	9,599
At 30 November 2021	9,599

SKS Business Services Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022

12. **INVESTMENTS - continued**

Company

Shares in
group
undertakings
£

COST

At 1 December 2021

1,008,817

Additions

103,154

At 30 November 2022

1,111,971

NET BOOK VALUE

At 30 November 2022

1,111,971

At 30 November 2021

1,008,817

SKS Business Services Ltd**Notes to the Consolidated Financial Statements - continued**
for the Year Ended 30 November 2022**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
			2022	2021	
ALM Solutions Limited	England and Wales	Ordinary	85.00%	85.00%	SC394971
Avalon Accounting Limited	England and Wales	Ordinary	100.00%	95.00%	09127727
Baker Watkin Accounting Ltd	England and Wales	Ordinary	100.00%	90.10%	12059192
Benedict Mackenzie Recovery Limited	England and Wales	Ordinary	85.00%	85.00%	07769908
Cansdales (Nominees) Limited	England and Wales	Ordinary	100.00%	80.00%	03968314
Cansdales Business Advisers Limited	England and Wales	Ordinary	100.00%	80.00%	12170359
Gilroy & Brookes Accountants Limited	England and Wales	Ordinary	100.00%	100.00%	08709898
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	100.00%	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	100.00%	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	100.00%	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 Midco Ltd	England and Wales	Ordinary	100.00%	NA	13157660
SKS Shacter 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 LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022**12. INVESTMENTS - continued**

Undertaking	Country of incorporation	Class of shares held	Proportion of Voting Rights and shares held		Company number
			2022	2021	
SKS HP Limited	England and Wales	Ordinary	100.00%	80.00%	12157664
SKS West Midlands Ltd	England and Wales	Ordinary	100.00%	NA	13674959
SKS Ledger Sparks Ltd	England and Wales	Ordinary	100.00%	NA	13063012
SKS Ramon Lee Ltd	England and Wales	Ordinary	100.00%	NA	13059230
SKS SG Limited	England and Wales	Ordinary	100.00%	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	100.00%	97.50%	09342362
Westlake Clark Limited	England and Wales	Ordinary	100.00%	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 s479A-s479C of the Companies Act 2006. The ultimate parent company, SKS Business Services Ltd, has provided necessary guarantees to the subsidiaries so that the latter can avail the audit exemption as above.

SKS Business Services LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 202213. **INVENTORIES**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Work-in-progress	<u>4,177,292</u>	<u>4,656,582</u>	<u>157,229</u>	<u>41,866</u>

14. **TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Current:				
Trade debtors	3,767,216	3,766,626	168,051	91,999
Amounts owed by group undertakings	-	-	13,097,557	16,096,951
Other debtors	1,205,214	595,849	308,454	127,675
Directors' current accounts	-	12,412	-	-
VAT	-	-	100,810	30,189
Prepayments	<u>1,108,764</u>	<u>850,914</u>	<u>552,045</u>	<u>223,159</u>
	<u>6,081,194</u>	<u>5,225,801</u>	<u>14,226,917</u>	<u>16,569,973</u>

15. **CASH AND CASH EQUIVALENTS**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Cash in hand	6,485	8,839	-	-
Bank deposit account	-	5,629	-	-
Bank accounts	<u>5,287,020</u>	<u>398,055</u>	<u>5,088,532</u>	<u>36,678</u>
	<u>5,293,505</u>	<u>412,523</u>	<u>5,088,532</u>	<u>36,678</u>

SKS Business Services LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022**16. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
106,112	A Ordinary	1p	1,061	950
5,000	B Ordinary	1p	50	50
			<u>1,111</u>	<u>1,000</u>

17. RESERVES**Group**

	Retained earnings £
At 1 December 2021	375,777
Profit for the year	(150,907)
Acquired during the year	528,784
Dividends	<u>(136,034)</u>
At 30 November 2022	<u>617,620</u>

Company

	Retained earnings £
At 1 December 2021	130,977
Deficit for the year	(60,734)
Dividends	<u>(25,000)</u>
At 30 November 2022	<u>45,243</u>

SKS Business Services LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022**18 TRADE AND OTHER PAYABLES**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Current:				
Trade creditors	832,866	1,039,754	1,125,926	501,503
PAYE/NI liability	1,426,984	1,159,424	709,943	435,609
Other creditors	1,151,373	442,924	312,218	105,803
Consideration payable < 1 year	356,113	2,403,052	-	-
Accrued expenses	219,389	575,216	138,754	482,330
Directors' current accounts	108,475	98,053	95,447	98,053
Amounts owed to group undertakings	5,036,002	-	-	-
VAT	1,644,428	1,964,139	-	-
	<u>10,775,630</u>	<u>7,682,562</u>	<u>2,382,288</u>	<u>1,623,298</u>
Non-current:				
Consideration payable > 1 year	<u>233,000</u>	<u>104,013</u>	<u>-</u>	<u>-</u>
	<u>233,000</u>	<u>104,013</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>11,008,630</u>	<u>7,786,575</u>	<u>2,382,288</u>	<u>1,623,298</u>

19. FINANCIAL LIABILITIES - BORROWINGS

Balance of senior non-current loans arranged and managed by Shard Credit Partners £Nil (2021: £16,061,510) were secured by a debenture on the Company. The effective rate of interest of these loans is 11.81% (2021: 11.84%). During the year the loan was fully repaid

The Company on 20th October 2022 completed a refinancing and acquisition facility of £48million from Kartesia Securities secured by a debenture on the Company. The interest rate on these loans is 6.5% plus Compounded Reference Rate as defined in the agreement. The loan is repayable in full after six years of closing date £20.36 million of the facility was drawn by the company as at 30th November 2022. The balance as at 30th November is £19,155,931 (2021: £Nil).

Mr. Swarup provided a loan to the Company amounting to £387,505 (2021: £Nil) during the year.

In the previous year the Group entered into an invoice financing agreement with e capital (previously Advantedge Commercial Finance Limited). The balance outstanding as of 30th November 2022 is £1,685,419 (2021: £978,541) after netting off the funds yet to be swept. The financed debtor balance is £1,982,845.

SKS Business Services LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 202220. **LEASING****Group**
LEASE LIABILITIES

Minimum lease payments fall due as follows:

	2022 £	2021 £
Gross obligations repayable:		
Within one year	303,690	271,605
Between one and five years	751,081	912,199
	<u>1,054,771</u>	<u>1,183,804</u>
Net obligations repayable:		
Within one year	303,690	271,605
Between one and five years	<u>751,081</u>	<u>912,199</u>
	<u>1,054,771</u>	<u>1,183,804</u>

SKS Business Services LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 202220. **LEASING - continued****Company****LEASE LIABILITIES**

Minimum lease payments fall due as follows:

	2022 £	2021 £
Gross obligations repayable:		
Within one year	54,200	10,447
Between one and five years	253,882	159,383
	<u>308,082</u>	<u>169,830</u>
Net obligations repayable:		
Within one year	54,200	10,447
Between one and five years	253,882	159,383
	<u>308,082</u>	<u>169,830</u>

SKS Business Services LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022**21. FINANCIAL INSTRUMENTS**

2022	Amortised Cost	Balance in the statement of financial position
Trade and other receivables - excluding prepayments	4,972,430	4,972,430
Cash and bank balances	5,293,505	5,293,505
Borrowings	(19,543,437)	(19,543,437)
Trade and Other payables	10,764,631	10,764,631

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 £nil liability in 2022 (2021: £113k 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 2022. 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 Ltd**Notes to the Consolidated Financial Statements - continued**
for the Year Ended 30 November 2022**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	
	2022	2021	2022	2021
	£	£	£	£
Other provisions	<u>-</u>	<u>113,325</u>	<u>-</u>	<u>111,955</u>
Analysed as follows:				
Current	<u>-</u>	<u>113,325</u>	<u>-</u>	<u>111,955</u>

Provisions	Group		Company	
	2022	2021	2022	2021
Opening	113,325	99,250	113,325	99,250
(Reduction)/addition during the year	(113,325)	14,075	(113,325)	14,075
Closing balance	<u>-</u>	<u>113,325</u>	<u>-</u>	<u>113,325</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	2022	2021
	£	£
Balance at 1 December	606,314	546,708
Timing difference of depreciation	<u>(19,850)</u>	<u>59,606</u>
Balance at 30 November	<u>586,464</u>	<u>606,314</u>

SKS Business Services LtdNotes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022**23. DEFERRED TAX - continued****Company**

	2022	2021
	£	£
Balance at 1 December	90,372	32,921
Capital allowance	(17,946)	57,451
Balance at 30 November	<u>72,426</u>	<u>90,372</u>

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 £630k (2021: £377k); and
- borrowings which provide the funds for inorganic growth and working capital required by the company - the total of this capital is £19,543k (2021: £16,061k).

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 £83,199 for accounting and consultancy services to the company during current accounting year (Previous year - £107,287). Balance receivable as of 30th November 2022 was £38,192.

WM Audit LLP

WM Audit LLP is an associate of SKS Group. Ward Mackenzie Limited raised invoices worth £38,705 for accounting services to the company during current accounting year. (Previous year - £59,814). Balance receivable as of 30th November 2022 was £11,892.

RL Audit LLP

RL Audit LLP is an associate of SKS Group. Ramon Lee Limited raised invoices worth £NIL for accounting services to the company during current accounting year. (Previous year - £111,028). Balance receivable as of 30th November 2022 was £NIL.

SKS Business Services Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022

25. RELATED PARTY DISCLOSURES – continued

BW Audit LLP

BW Audit LLP is an associate of SKS Group. Baker Watkin Accounting Limited raised invoices worth £41,810 for accounting services to the company during current accounting year (Previous year - £43,239). Balance receivable as of 30th November 2022 was £1,776.

BW Associates LLP

BW Associates LLP is an associate of SKS group. Baker Watkin Accounting Limited paid £57,243 for property rent current accounting year (Previous year - £63,256). Balance payable as of 30th November 2022 was NIL.

Ledger Sparks Audit LLP

Ledger Sparks Audit LLP is an associate of SKS Group. Ledger Sparks Limited has raised invoices worth £150,759 for accounting services to the company during current accounting year. (Previous year - £205,934). Balance receivable as of 30th November 2022 was £123,856.

Ledger Sparks Audit LLP raised invoices worth £380 for accounting services to the company during the current accounting year. (Previous year - £8,000). Balance payable as of 30th November 2022 was £455.

Thompson Jones Audit LLP

Thompson Jones Audit LLP is an associate of SKS Group. Thompson Jones Limited raised invoices worth £98,990 for accounting services to the company during current accounting year (Previous year - £119,193). Balance receivable as of 30th November 2022 was £6,338.

Cansdales Audit LLP

Cansdales Audit LLP is an associate of SKS Group. Cansdales Business Advisers Limited raised invoices worth £269,394 for accounting services to the company during current accounting year (Previous year - £198,572). Balance receivable as of 30th November 2022 was £9,981.

Westlake Clark Audit LLP

Westlake Clark Audit LLP is an associate of SKS Group. SKS Group raised invoices worth £673,008 for accounting services to the company during current accounting year (Previous year - £672,871). Balance receivable as of 30th November 2022 was £245,230.

Westlake Clark Audit LLP raised invoices worth £NIL for accounting services to SKS Group during current accounting year (Previous year - Nil). Balance payable as of 30th November 2022 was £NIL.

SKS Audit LLP

SKS Audit LLP is an associate of SKS Group. SKS Group raised invoices worth £360,214 for accounting services to the company during current accounting year (Previous year - £110,786). Balance receivable as of 30th November 2022 was £124,792.

S K Swarup

Director's current balance was £51,410 payable as at 30 November 2022 (Previous year - £24,553). 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 £127,755 (Previous Year - £197,235) for accounting services to the company during current accounting year. Balance receivable as of 30th November 2021 was £98,225.

SKS Business Services Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2022

FPN Limited

FPN Limited and SKS Group subsidiaries, have a common director. SKS Business Services Ltd raised invoices worth £NIL (Previous year - £47,100) for accounting services to the company during current accounting year. Balance receivable as of 30th November 2022 was £NIL.

26. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is considered to be S K Swarup by virtue of having 59% ownership of the shares in SKS Holdings Ltd, the ultimate holding company.