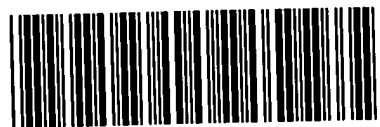


REGISTERED NUMBER: 03442572 (England and Wales)

**Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended
31 December 2024
for
Simpson Associates Information Services
Limited**

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**Simpson Associates Information Services
Limited (Registered number: 03442572)**

**Contents of the Financial Statements
for the Year Ended 31 December 2024**

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**Simpson Associates Information Services
Limited**

**Company Information
for the Year Ended 31 December 2024**

DIRECTORS:

D D Moors
G N Horwood
R L Hillman

SECRETARY:

R L Hillman

REGISTERED OFFICE:

Suite 3B
20 George Hudson Street
York
North Yorkshire
YO1 6WR

REGISTERED NUMBER:

03442572 (England and Wales)

AUDITORS:

Kirk Newsholme
Chartered Accountants and Statutory Auditors
4315 Park Approach
Thorpe Park
Leeds
West Yorkshire
LS15 8GB

**Simpson Associates Information Services
Limited (Registered number: 03442572)**

**Strategic Report
for the Year Ended 31 December 2024**

The directors present their strategic report for the year ended 31 December 2024.

REVIEW OF BUSINESS

The Company is a Data Transformation consultancy, helping organisations maximise the value of their data, unlocking the power of data for good. As a Microsoft Solutions Partner, and with over 3 decades of data experience, our expertise lies in helping organisations maximise the value of Microsoft technologies. We continue to invest in our people through various training and development programmes, including technical training to ensure the excellent level of technical expertise continues. We work with businesses across a wide range of sectors, both public and private. We are UK based, with our head office in York, and an additional office in Sheffield.

As shown in the Company's Profit and Loss account on page 10, turnover grew by 3.9% from £10.48m in 2023 to £10.89m in 2024, whilst profit before tax at £1.46m was 7.5% up on prior year due, principally, to continued investment in skilled personnel, and the mix of offerings we sell. The gross profit margin was maintained at 46% year on year, demonstrating the Company's ability to sustain profitability whilst investing in growth. As shown on page 17, the average number of employees increased slightly from 81 in 2023 to 82 in 2024.

The Directors continue to implement strategies focused on attracting and retaining highly skilled data professionals, which is fundamental to our competitive advantage in the data transformation market. This investment in human capital is evidenced by our growing team of certified Microsoft specialists and the successful delivery of major client projects throughout the year. This strategy of building a highly effective, skilled workforce continues to be evident in the strong secured pipeline for 2025 and positions the Company well for sustained growth.

The Balance Sheet on page 11 of the financial statements shows that shareholders' funds have increased from £2.1m to £2.2m in the period. As at 31 December 2024, the Directors consider that the Company has a strong Balance Sheet with £2.1m cash balances included in a £1.96m Net Current Assets balance which, will allow the business to continue to grow profitably whilst maintaining the flexibility to invest in emerging technologies and expand our service offerings.

The anticipation for 2025, based on current pipeline and market conditions, is strong growth anticipated driven by increased demand for data transformation services. The Company continues to benefit from operating efficiently across our two sites in York and Sheffield, whilst maintaining close proximity to our key client base across the UK.

Our continued investment in cutting-edge Microsoft technologies and data platforms enables us to maintain our market-leading position in data transformation services. Our Microsoft Solutions Partner status in: Data & AI Azure, Security, Digital & App Innovation Azure and Infrastructure Azure demonstrate our technical excellence and provide clients with confidence in our capabilities, directly contributing to customer retention and new business acquisition.

Key Performance Indicators

The Company measures and manages its performance through the following key performance indicators ("KPI's"):

	2024	2023
1. Turnover	£10.89m	£10.48m
2. Gross Profit	£5.01m	£4.85m
3. Gross Margin (%)	46%	46%
4. Liquidity	152%	168%
5. Return on Capital Employed (ROCE %)	67%	66%
6. Employee numbers	82	81

**Strategic Report
for the Year Ended 31 December 2024**

Source data is taken from the audited financial statements.

Notes to KPI's:

1. **Turnover:** As reported in the financial statements. The company aims to achieve sustainable growth through expansion of existing client relationships and acquisition of new clients across diverse sectors.

2. **Gross Profit:** As reported in the financial statements. The company aims to maintain strong gross margins through efficient project delivery and premium positioning in the data transformation market.

3. **Gross Margin:** Gross profit as a percentage of Turnover. The company aims to maximise profit available for reinvestment in skills development and technology whilst maintaining competitive pricing.

4. **Liquidity:** Current assets as a percentage of current liabilities. The company aims to maintain a strong balance sheet position and liquid resources necessary to adequately manage working capital and fund growth investments.

5. **Return on Capital Employed:** Operating profit as a percentage of shareholders' funds. The company aims to increase shareholder value and measures performance against this objective through ROCE monitoring.

6. **Employee Numbers:** Total permanent workforce. Growth in skilled employee numbers is a key driver of our ability to expand service delivery and maintain technical excellence.

The Directors monitor working capital requirements closely and are satisfied that the Company maintains sufficient resources to meet funding requirements for current operations and planned expansion initiatives.

Key performance indicators are monitored against expectations, and the Directors consider that these have been satisfactorily met in respect of the current financial year, particularly noting the successful retention and growth of our skilled workforce and the strong pipeline secured for 2025.

In respect of non-financial key performance indicators, the Company has maintained its Microsoft Solutions Partner status, its IBM Partner status, its ISO27001 and ISO9001 certifications and Cyber Essentials Plus accreditation which are critical to our market positioning and client confidence. The Company continually reviews all its operational procedures with the objective of achieving best practice in data security, environmental responsibility, and health and safety.

The Company remains an Equal Opportunities Employer and maintains a stable, highly skilled workforce who are essential in providing the high level of technical expertise and customer care necessary to maintain our market-leading position in data transformation services.

PRINCIPAL RISKS AND UNCERTAINTIES

Economic and Market Conditions

The continued geopolitical pressures and economic uncertainty create challenges in the markets in which the company operates. However, the increasing focus on data-driven decision making across all sectors provides significant opportunities. The company's agile structure and experienced leadership team enable rapid response to market changes and client needs.

**Strategic Report
for the Year Ended 31 December 2024**

Reputational Risk

As a specialist consultancy operating in the competitive data transformation market, any damage to our reputation could significantly impact client relationships and new business acquisition. The Company maintains rigorous quality assurance processes, including ISO 9001 and 27001, peer review procedures, and comprehensive project management frameworks. All client deliverables undergo thorough testing and validation before release. The Company maintains comprehensive professional indemnity insurance and has established procedures for swift remedial action on any client concerns. Our various accreditations (as described above) provide additional assurance to clients of our technical capabilities and professional standards.

Cyber Risk and Data Handling

Given our specialisation in data transformation and the sensitive nature of client data we handle, cybersecurity represents a critical business risk. The Company has implemented ISO 27001 compliance and Cyber Essentials Plus certification. We maintain comprehensive cyber liability insurance covering £5m First party and Third Party and have established incident response procedures. All staff undergo regular cybersecurity training.

ON BEHALF OF THE BOARD:



R L Hillman - Director

25 September 2025

**Simpson Associates Information Services
Limited (Registered number: 03442572)**

**Report of the Directors
for the Year Ended 31 December 2024**

The directors present their report with the financial statements of the company for the year ended 31 December 2024.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of conducting long term projects in businesses to implement software and sales of annual support & maintenance contracts.

DIVIDENDS

Dividends paid during the financial period amounted to £1,023,232 (2023 - £1,093,232)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2024 to the date of this report.

D D Moors
G N Horwood
R L Hillman

Other changes in directors holding office are as follows:

A J Campbell ceased to be a director after 31 December 2024 but prior to the date of this report.

Simpson Associates Information Services Limited maintains an insurance indemnity policy on behalf of the directors and officers of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

**Simpson Associates Information Services
Limited (Registered number: 03442572)**

**Report of the Directors
for the Year Ended 31 December 2024**

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.

ON BEHALF OF THE BOARD:

R Hillman

R L Hillman - Director

25 September 2025

**Report of the Independent Auditors to the Members of
Simpson Associates Information Services
Limited**

Opinion

We have audited the financial statements of Simpson Associates Information Services Limited (the 'company') for the year ended 31 December 2024 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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
Simpson Associates Information Services
Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

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 risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures 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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and sector experience;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation. The company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the financial statements, for instance through the imposition of fines, penalties or litigation such as employment law, health and safety legislation and accreditations with software suppliers;

**Report of the Independent Auditors to the Members of
Simpson Associates Information Services
Limited**

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence, if any; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind any significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Enquiring of management as to actual and potential litigation and claims;
- Reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive website for notice of any breaches; and
- Review of relevant legal or professional costs within the accounting records for any evidence of previously un-detected or un-reported instances of non-compliance.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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.

Jill Wright BA FCA (Senior Statutory Auditor)
for and on behalf of Kirk Newsholme
Chartered Accountants and Statutory Auditors
4315 Park Approach
Thorpe Park
Leeds
West Yorkshire
LS15 8GB

25 September 2025

**Simpson Associates Information Services
Limited (Registered number: 03442572)**

**Profit and Loss Account
for the Year Ended 31 December 2024**

	Notes	2024 £	2023 £
TURNOVER	3	10,889,473	10,482,987
Cost of sales		<u>5,881,370</u>	<u>5,632,690</u>
GROSS PROFIT		5,008,103	4,850,297
Administrative expenses		<u>3,540,142</u>	<u>3,488,023</u>
OPERATING PROFIT	5	1,467,961	1,362,274
Interest receivable and similar income	6	<u>18,105</u>	-
		1,486,066	1,362,274
Interest payable and similar expenses	7	<u>25,513</u>	<u>3,532</u>
PROFIT BEFORE TAXATION		1,460,553	1,358,742
Tax on profit	8	<u>313,364</u>	<u>(136,568)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,147,189</u></u>	<u><u>1,495,310</u></u>

The notes form part of these financial statements

**Simpson Associates Information Services
Limited (Registered number: 03442572)**

**Balance Sheet
31 December 2024**

	Notes	2024		2023	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		556,325		612,831
CURRENT ASSETS					
Debtors	11	3,036,383		2,057,751	
Investments	12	617,256		-	
Cash at bank		2,085,294		2,168,885	
		5,738,933		4,226,636	
CREDITORS					
Amounts falling due within one year	13	3,776,785		2,514,232	
NET CURRENT ASSETS			1,962,148		1,712,404
TOTAL ASSETS LESS CURRENT LIABILITIES			2,518,473		2,325,235
CREDITORS					
Amounts falling due after more than one year	14		(208,169)		(247,507)
PROVISIONS FOR LIABILITIES	17		(108,619)		-
NET ASSETS			2,201,685		2,077,728
CAPITAL AND RESERVES					
Called up share capital	18		5,002		5,002
Retained earnings	19		2,196,683		2,072,726
SHAREHOLDERS' FUNDS			2,201,685		2,077,728

The financial statements were approved by the Board of Directors and authorised for issue on 25 September 2025 and were signed on its behalf by:

R Hillman

R L Hillman - Director

The notes form part of these financial statements

**Simpson Associates Information Services
Limited (Registered number: 03442572)**

**Statement of Changes in Equity
for the Year Ended 31 December 2024**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2023	5,002	1,670,648	1,675,650
Changes in equity			
Dividends	-	(1,093,232)	(1,093,232)
Total comprehensive income	-	1,495,310	1,495,310
Balance at 31 December 2023	<u>5,002</u>	<u>2,072,726</u>	<u>2,077,728</u>
Changes in equity			
Dividends	-	(1,023,232)	(1,023,232)
Total comprehensive income	-	1,147,189	1,147,189
Balance at 31 December 2024	<u>5,002</u>	<u>2,196,683</u>	<u>2,201,685</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2024**

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The functional and presentational currency of the company is considered to be pounds sterling.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts and value added tax.

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion and the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at purchase cost together with any incidental expenses of acquisition, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible assets, at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life.

Computer equipment - 3 years straight line

Short leasehold - depreciated over remaining useful life based on period to the end of the lease.

Motor vehicles - 6 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset after deducting estimated costs of disposal, if the asset were already at an age and in the condition expected at the end of its estimated useful life.

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the assets against the higher of realisable value and value in use.

The gain or loss arising on the disposal of an asset is determined on the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to the reversal of the timing difference.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recognised in the profit and loss account.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme and that of directors' personal pension schemes are charged to profit or loss in the period to which they relate.

Service provision

Provision is made against the future estimated costs of any works to ensure that software products are implemented and operating in line with expectations.

Dividends

Equity dividends are recognised when they become legally payable.

Current asset investments

Current asset investments comprises fixed term bank deposits recognised at the initial transaction price.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The following assets and liabilities are classified as basic financial instruments - trade debtors, other debtors, cash and bank balances, trade creditors, other creditors and inter-company balances.

Trade debtors, prepayments, cash and bank balances, trade creditors, accruals and inter-company balances (being repayable on demand) are measured at the amortised cost equivalent to the undiscounted amount of cash or other consideration expected to be paid or received.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

2. ACCOUNTING POLICIES - continued

Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss as described below.

Financial assets

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had impairment not been recognised.

Critical accounting judgements and sources of estimation uncertainty

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

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

The critical judgements that the directors have made in applying the company's accounting policies and the key sources of estimation uncertainty that have had the most significant effect on the amounts recognised in the financial statements are described below:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Service provision

Provision is made for estimated future service costs to ensure software products are implemented and operating in line with expectations, the estimate being based on the historic cost of labour used.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2024	2023
	£	£
Software & support	3,089,253	2,875,547
Services	7,800,220	7,607,440
	<u>10,889,473</u>	<u>10,482,987</u>

**Simpson Associates Information Services
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**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

4. EMPLOYEES AND DIRECTORS

	2024	2023
	£	£
Wages and salaries	5,769,665	5,178,125
Social security costs	639,363	590,278
Other pension costs	264,114	241,993
	<u>6,673,142</u>	<u>6,010,396</u>

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

	2024	2023
Support	6	7
Services	47	46
Sales & Marketing	17	16
Administration	12	12
	<u>82</u>	<u>81</u>

	2024	2023
	£	£
Directors' remuneration	45,978	45,978
Directors' pension contributions to money purchase schemes	80,000	80,000
	<u>126,000</u>	<u>126,000</u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation - owned assets	95,303	67,891
Depreciation - assets on hire purchase contracts	59,396	4,950
Auditors' remuneration	13,500	12,050
Foreign exchange differences	(2,606)	1,565
Operating lease rentals	80,482	80,482
Research and development	728,085	1,634,904
Impairment/(Reversal of impairment) of trade debtors	8,261	(156)
	<u>1,677,421</u>	<u>2,437,687</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024	2023
	£	£
Bank interest receivable	18,105	-
	<u>18,105</u>	<u>-</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2024	2023
	£	£
Hire purchase interest	25,513	3,532
	<u>25,513</u>	<u>3,532</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

8. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2024 £	2023 £
Current tax:		
UK corporation tax	213,358	-
Prior year adjustment	(8,613)	(136,568)
Total current tax	<u>204,745</u>	<u>(136,568)</u>
Deferred tax	108,619	-
Tax on profit	<u>313,364</u>	<u>(136,568)</u>

UK corporation tax has been charged at 25%.

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2024 £	2023 £
Profit before tax	<u>1,460,553</u>	<u>1,358,742</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 25%)	365,138	339,686
Effects of:		
Expenses not deductible for tax purposes	8,766	1,571
Adjustments to tax charge in respect of previous periods	121,481	(136,568)
Unprovided deferred tax	-	(88,793)
Change in tax rate	-	(14,940)
Research and development	(182,021)	(237,524)
Total tax charge/(credit)	<u>313,364</u>	<u>(136,568)</u>

9. DIVIDENDS

	2024 £	2023 £
Ordinary A shares of £1 each		
Interim	<u>1,023,232</u>	<u>1,093,232</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

10. TANGIBLE FIXED ASSETS

	Short leasehold £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2024	208,143	356,374	366,224	930,741
Additions	-	44,307	53,886	98,193
At 31 December 2024	<u>208,143</u>	<u>400,681</u>	<u>420,110</u>	<u>1,028,934</u>
DEPRECIATION				
At 1 January 2024	27,752	4,950	285,208	317,910
Charge for year	41,629	64,934	48,136	154,699
At 31 December 2024	<u>69,381</u>	<u>69,884</u>	<u>333,344</u>	<u>472,609</u>
NET BOOK VALUE				
At 31 December 2024	<u>138,762</u>	<u>330,797</u>	<u>86,766</u>	<u>556,325</u>
At 31 December 2023	<u>180,391</u>	<u>351,424</u>	<u>81,016</u>	<u>612,831</u>

The net book value of tangible fixed assets includes £292,028 (2023 - £351,424) in respect of assets held under hire purchase contracts.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	1,984,439	1,478,410
Amounts owed by group undertakings	3,319	2,023
Prepayments and accrued income	1,048,625	577,318
	<u>3,036,383</u>	<u>2,057,751</u>

12. CURRENT ASSET INVESTMENTS

	2024 £	2023 £
Fixed term bank deposits	<u>617,256</u>	<u>-</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Hire purchase contracts (see note 15)	40,375	40,375
Trade creditors	301,723	127,541
Corporation tax	204,745	968
Social security and other taxes	577,776	572,153
Other creditors	27,176	-
Accruals and deferred income	2,624,990	1,773,195
	<u>3,776,785</u>	<u>2,514,232</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Hire purchase contracts (see note 15)	208,169	247,507

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2024	2023
	£	£
Net obligations repayable:		
Within one year	40,375	40,375
Between one and five years	208,169	247,507
	<u>248,544</u>	<u>287,882</u>

	Non-cancellable operating leases	
	2024	2023
	£	£
Within one year	80,482	80,482
Between one and five years	140,843	221,325
	<u>221,325</u>	<u>301,807</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2024	2023
	£	£
Hire purchase contracts	248,544	287,882

Hire purchase assets are secured on the assets concerned.

17. PROVISIONS FOR LIABILITIES

	2024	2023
	£	£
Deferred tax	108,619	-
		Deferred tax
		£
Charge to Profit and Loss Account during year		108,619
Balance at 31 December 2024		<u>108,619</u>

The deferred tax liability has been calculated at a rate of 25%, and represents accelerated capital allowances in advance depreciation of £108,619 (2023 - £nil).

**Simpson Associates Information Services
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**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2024	2023
Number:	Class:		£	£
5,000	Ordinary A	£1	5,000	5,000
2	Special subsidiary voting shares	£1	2	2
			<u>5,002</u>	<u>5,002</u>

19. RESERVES

Retained earnings represent cumulative profits or losses net of dividends and other adjustments.

20. CONTINGENT LIABILITIES

The company has a fixed and floating charge over its assets in respect of the loan note instruments of its parent company. The maximum potential liability at the year end amounted to £520,000 (2023: £900,000).

21. ULTIMATE PARENT COMPANY

At the balance sheet date, Amari Group Limited was regarded by the directors as being the company's ultimate parent company.

The smallest and largest group in which the results of the company are consolidated in that headed by Amari Group Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way Cardiff, CA14 3UZ.