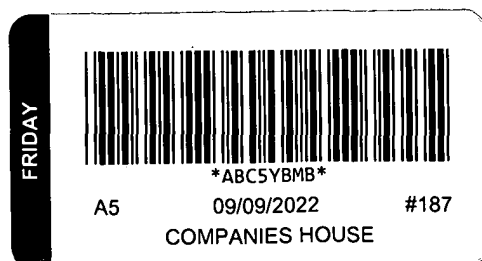


Company number 03176761

ANS Group Limited
Annual report and financial statements
For the period ended 31 December 2021



ANS Group Limited

Contents

Directors

P C Shannon
C J Hodgson
S J Townsley
C L J Greening

Company number

03176761

Registered office

1 Archway
Birley Fields
Manchester
M15 5QJ

Independent auditors

Mazars LLP
Chartered Accountants and Statutory Auditors
One St Peter's Square
Manchester
M2 3DE

Bankers

Natwest
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Spinningfields
Manchester
M3 3AQ

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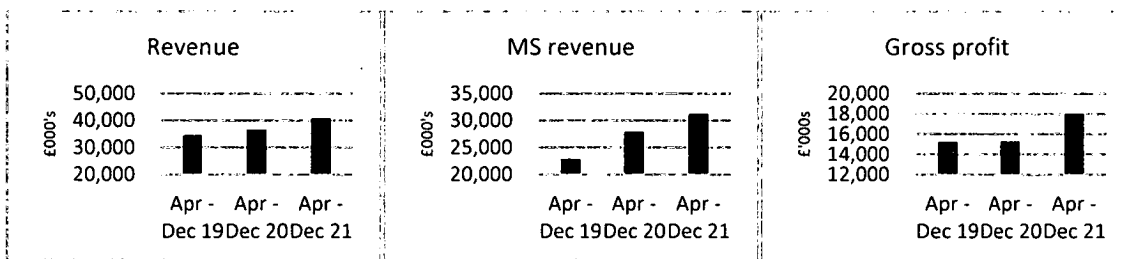
Strategic report for the period ended 31 December 2021

Principal activities

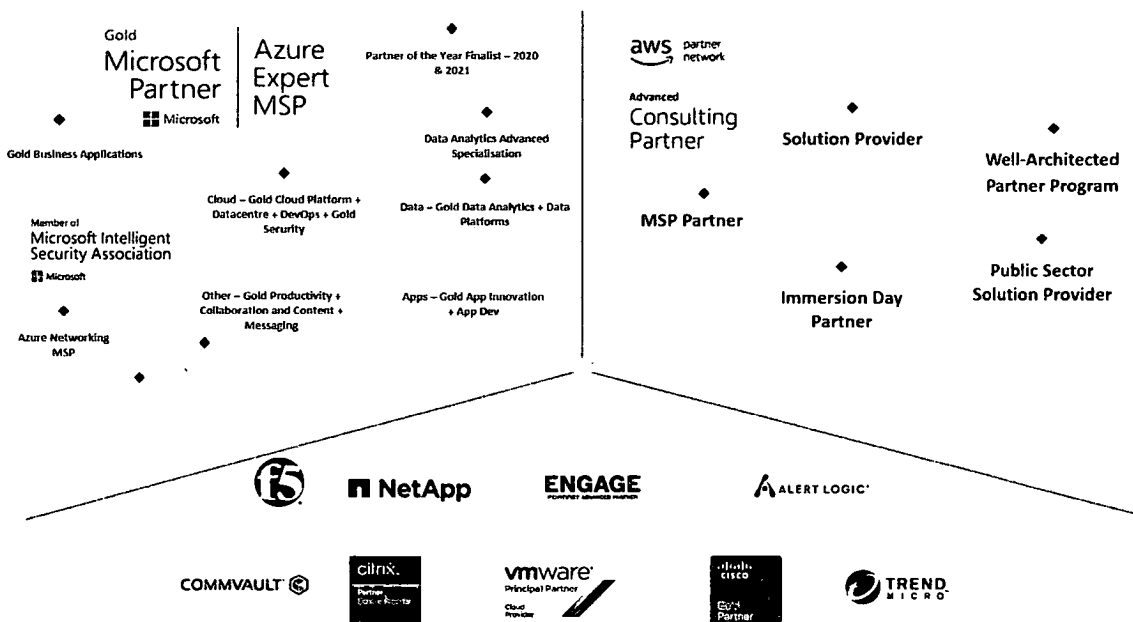
The principal activity of ANS Group Limited ("ANS") throughout the period continued to be that of a digital and cloud services provider. This includes the design and delivery of the most advanced and innovative cloud platforms, digital transformation, bespoke software solutions, complex application development, and big data strategies enabling businesses to make smarter business decisions. The business adjusted its reporting period to 31st December to align with group reporting (see page 2) and consequently the financial statements for the 9 months 1st April to 31st December are contained herein.

Business review and financial key performance indicators

The period ending 31st December 2021 marked a significant milestone in the history of the group, with the business being acquired on 17th June 2021 by leading private equity firm Inflexion. The business subsequently merged with group company UKFast.Net Limited on 31st March 2022.



ANS continued to secure key accreditations on both Microsoft Azure and Amazon Web Services platforms (highlights shown below) and were once again named Microsoft Finalist of the Year for 2021. The business has continued to build-on its Azure capabilities, becoming the only UK head-quartered Azure Expert MSP with a Data Analytics on MSFT Azure Advanced Specialisation, enabling us to support customers to make better data-driven decisions.



Strategic report for the period ended 31 December 2021 (continued)

Business review and financial key performance indicators (continued)

Another transformational year for ANS, in June 2021 the company completed a management buy out with Inflexion, a UK based private equity firm following a competitive sales process. ANS and existing Inflexion investment UKFast were brought together under one parent group to address the rapid market growth opportunity for digital and cloud services. The group has combined ANS's public cloud, DevOps, applications, and data expertise with UKFast's leadership in private cloud, hosting and security. In order to align with Group reporting the financial year of ANS has been amended to 31 December.

During the 9-month period to 31 December 2021, ANS partnered with national and local authorities in supporting them on their digital transformation journey to improve the service they provide to the community. One example is the partnership with Greater Manchester Combined Authority ("GMCA") in enabling digitisation of "Early Years" progress reports to ultimately improve child development. Using the cloud platform deployed by ANS, GMCA has been able to build an Early Years app that digitises the paper-based assessments currently used to review a child's development. The application provides parents and carers of children across Greater Manchester with a digital application that ensures they have access to both completed assessments and other supporting information completed by the healthcare professional, giving the parents and carers much more control over their own child's data. ANS also partnered with The Royal Borough of Kensington, Chelsea & Westminster (Bi-borough) to provide an Azure-based Power BI solution to overcome challenges with data sharing.

ANS saw continued success in the commercial sector, working with new businesses such as Kensington Mortgages to slash mortgage performance modelling from 20 hours to 25 minutes and leading courier CitySprint to provide an Azure VMware Service that will initiate their journey into cloud. The business continued to develop relationships with established customers, such as thriving financial services firm Shepherds Friendly, in supporting their digital transformation journey to public cloud.

ANS also bolstered its data proposition by developing a Data Centre of Excellence as a means to overcoming the challenges faced by customers in recruiting highly-skilled, dedicated data specialists. The Data Centre of Excellence enables customers to access a rich pool of skills and resources as and when they need them, without the burden of recruiting in-house.

ANS continued to reinforce its position as the go-to Microsoft Azure partner in the UK, having been once again named Microsoft Partner of the Year Finalists. ANS were also awarded the prestigious Microsoft Business Applications 2021/2022 Inner Circle award, granting membership to an elite group based on sales achievements that rank ANS in the top echelon of Microsoft's Business Applications global network of partners.

Making a difference to the ANS workplace, the community & the planet is central to the organisation's ethos. ANS was delighted to be recognised by Gartner as "employing best practices to build a culture of value through gender diversity" through its Women In Tech campaign. They are placed within the top 50 Technology companies to work for in the UK as well as placing inside the Top 100 companies to work for in the North West.

Strategic report for the period ended 31 December 2021 (continued)

Key performance indicators

Revenue for the 9-month period was £40.9m (2021 (12m): £52.4m), and gross profit was £18.0m (2021 (12m): £22.2m) with continued growth across all key metrics, notably within managed cloud consumption which now represents 27% of total revenue (2021: 19%). Quality of margin has improved with gross margin of 44.1% (2021: 42.4%), a direct result of the dominance of higher margin digitally focused sales.

Adjusted EBITDA was £8.5m (2021 (12m): £10.8m) as ANS continued to react to customers needs and provide immediate and necessary solutions to aid digital transformation plans, all delivered remotely.

Going Concern

The Directors have prepared the cash flow forecasts for a period of at least 12 months from the date of the approval of the financial statements. On the basis of the cash flow projections and the projected headroom against the available facilities, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Principal risks and uncertainties

Contracts

The group believes that the development of the managed service business has been a significant factor in offsetting the commercial risks in its other markets as this mainly represents long-term committed contracts. The renewal of these contracts is a key focus of the business and with the continued level of excellent customer satisfaction and retention of customers the group expects the renewal rate to remain extremely high.

Resources

Digital skills in the cloud space are increasingly becoming a premium in the market and as such, there is an expectation that recruiting external team members will be both difficult and expensive. To this end, ANS intends to mitigate this by continuing to use the same strategy executed during previous market transitions, by training and investing heavily in existing team members. This is a long-term ANS strategy and will continue to be so going forward in FY22 and beyond.

Brexit

As the group operates solely in the UK, the political risk is deemed relatively low. The result of the UK leaving the European Union ('Brexit') is not considered a significant threat to continuing business operations as the customer and supplier base is either situated in the UK or non-EU countries.

Financial risks

Credit risk

Credit risk exposure is offset by insurance and the fact that 50% of the customer base is public sector. The group is aware of the risks associated in dealing in international markets and takes appropriate steps to hedge currency exposures. These are minimal and limited to specific contracts.

Strategic report for the period ended 31 December 2021 (continued)

Liquidity risk

The group aims to mitigate liquidity risk by managing rolling liquidity forecasts to ensure sufficient funds to meet its operational needs, under both normal and stressed conditions.

People

The group is committed to promoting equality of opportunity for all current employees and job applicants. Recruitment procedures ensure that all individuals are treated fairly, with all applicants considered on the basis of their relative merits and aptitudes. Wherever feasible, the group endeavours to retain any member of staff who develops a disability during their employment.

Training and career development opportunities are made available to all employees.

Developments and future outlook

The company created by the merger of ANS and UKFast will take the ANS name forward as it pursues its growth plans as the UK's leading security and digital transformation partner.

The combined group makes ANS the UK's largest independent cloud provider, delivering public and private cloud, hosting, security, DevOps, applications and data expertise to its 7,000 customers. The combined business brings together expertise across private, public and hybrid cloud and capability in digital security for SMB, mid-market and public sector customers.

Central to ANS' strategy is the development of its training division into one of the largest and most comprehensive digital academies in the country. Operating from a dedicated on-site training centre, the ANS Academy will build on the established reputations of ANS and UKFast in developing world-class digital talent.

"By combining the strengths of both businesses under the ANS name, we are creating a world-class digital transformation business, focussed on providing an amazing experience for our customers, team, and tech partners."

Paul Shannon, CEO of ANS Group

Post balance sheet event

On 31st March 2022, UKFast.Net Limited formally merged into the ANS Group Limited legal entity.

This report was approved by the board and signed on its behalf.



P Shannon

Director

Date: 1st September 2022

Director's report for the period ended 31 December 2021

The Directors present the Directors' Report and audited financial statements of the company for the period ended 31 December 2021.

Directors

The Directors who served during the period ending 31 December 2021 and up to the signing of the financial statements were as follows:

P C Shannon

C J Hodgson

S J Townsley (Appointed 21st February 2022)

C L J Greening (Appointed 27th May 2022)

M Q A Akhtar (Appointed 17th June 2021, Resigned 27th May 2022)

A P Barrow (Resigned 17th June 2021)

P P Sweeney (Resigned 17th June 2021)

R Nugent (Resigned 17th June 2021)

Financial Risk Management and Future Developments

Refer to strategic report, on pages 1 to 4 of these financial statements.

Directors Indemnities

During the year, and as at the date of approval of these financial statements, the parent company maintains insurance to indemnify the Directors against liability incurred in relation to its activities. This is a qualifying provision for the purposes of the Companies Act 2006.

Results and Dividends

The Directors have reviewed the activities of the business for the period, the position as at 31 December 2021, and the company's future prospects, and consider them to be satisfactory. Refer to the strategic report for the review of results for the year.

A dividend payment of £1.3 million was made to the immediate parent company, Project Daytona Bidco Limited (2021 March YE: £nil).

Going Concern

The Directors have prepared the cash flow forecasts for a period of at least 12 months from the date of the approval of the financial statements. On the basis that the cash flow projections indicate sufficient headroom against the available facilities, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Charitable Donations

During the year, the company made charitable contributions of £73,558 (2021 March YE: £69,797).

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Director’s report for the period ended 31 December 2021 (continued)

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and applicable law).

Statement of Directors’ Responsibilities in Respect of the Financial Statements (continued)

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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, with any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent, and;
- 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 also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Greenhouse Gas Emissions

ANS Group is certified compliant to the international standard ISO 14001: 2015 and have developed and deployed a supporting Environmental Management System committing the Business to the continued reduction of both our carbon footprint (through supplier selection and device management) and increasing our waste recycling (both in terms of device and general waste).

The following figures relate to energy consumed in the United Kingdom:

CHG emissions data for the year from 1 April 2021 to 31 December 2021

	Dec-21	Mar-21
Kwh	70,263	84,571
Tonnes of Co2	16.24	22.43
Tonnes of Co2 per employee	0.06	0.08

The Group’s Co2 emissions are calculated by using the Greenhouse Gas Conversion Factor, the data is obtained per calendar year. As the consumption is used evenly throughout the year, an assumed average has been used to calculate the total for the financial year.

Directors’ Statement of Compliance with Section 172(1)

S172(1) of the Companies Act sets out the duties of each Director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit

Director's report for the period ended 31 December 2021 (continued)

of the shareholders as a whole and in doing so, have regard to a number of broader matters which are set out below:

- (a) the likely consequences of any decision in the long term;
- (b) the interest of the company's employees;
- (c) the need to foster the company's business relationships with customers, suppliers, and other stakeholders;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the company.

The board of Directors of the group are empowered to make strategic decisions on behalf of the company and to manage the company on a day-to-day basis.

- (a) The likely consequences of any decision in the long term

Board meetings are scheduled on a monthly basis (or more frequent should there be a need) with the primary focus on the short- and long-term requirements of the business. Business cases presented take into consideration the impact on our employees, customers, suppliers, lenders, and other stakeholders, which all form part of the wider decision-making process.

- (b) The interests of the company's employees

As a services-based business, ANS's people are at the heart of everything we do, with a strong focus on employee engagement, and training and development. We aim to promote from within and this is highly demonstrable from the current board of directors. There is significant employee engagement with regular business wide quarterly meetings and the use of Yammer, a social networking tool designed to openly connect and engage employees across the business is highly encouraged.

- (c) the need to foster the company's business relationships with customers, suppliers, and other stakeholders

Our customer centric focus ensures customer engagement, from prospect to sale and onboarding, continues to be market leading whilst our in-house bespoke service management platform, GLASS, alongside our highly trained technical experts, provide an exceptional standard of service. This is backed up by high customer retention rates. Similarly, our engagement with suppliers and other stakeholders ensures the quality of service provided meets the high expectations as set by the company.

- (d) The impact of the company's operations on the community and the environment

The company is fully committed to our corporate social responsibility (CSR). From sponsorship, fund raising activities and donations to local charities, the company actively encourages team members to donate their time to support their local charities with 5 days a year dedicated for CSR. Our ISO 14001: 2015 Environmental Management accreditation ensures we continue to set the standard on environmental best practices.

- (e) the desirability of the company maintaining a reputation for high standards of business conduct

Director's report for the period ended 31 December 2021 (continued)

The directors strive to operate the business to the highest level of conduct. All staff are required to adhere to the company's employment policy, with an open-door policy for whistleblowing.

(f) The need to act fairly between all members of the company

All members are invited to the board meetings and subject to the same information as every other member.

Directors' Confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware and;
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors and signed on their behalf by:



P Shannon
Director

Date: 1st September 2022
Registered number 03176761

Independent auditors' report to the members of ANS Group Limited

Opinion

We have audited the financial statements of ANS Group Limited (the 'company') for the period ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 FRS 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 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent auditors' report to the members of ANS Group Limited (continued)

Other information

The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the directors' 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.

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 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditors' report to the members of ANS Group Limited (continued)

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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. Based on our understanding of the ANS Group and its related subsidiaries and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates in particular in relation to revenue recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

Independent auditors' report to the members of ANS Group Limited (continued)

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

Use of the audit 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.

ANS Group Limited

**Independent auditors' report to the members of ANS Group Limited
(continued)**

Neil Barton

Neil Barton (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Address

Date 2 September 2022

Income statement for the period ended 31 December 2021

	Note	9 months ending Dec-21 £	Year ending Mar-21 £
Revenue	5	40,895,465	52,415,959
Cost of sales		(22,858,161)	(30,209,095)
Gross profit		18,037,304	22,206,864
Administrative expenses		(12,072,967)	(13,534,816)
Operating profit	6	5,964,337	8,672,048
Adjusted EBITDA*		8,542,546	10,806,926
Depreciation	13	(172,785)	(346,762)
Amortisation	12	(1,133,750)	(1,436,551)
Impairment	14	(100,200)	-
Operating profit before exceptional items		7,135,811	9,023,613
Non recurring items	7	(1,171,474)	(351,565)
Operating profit	6	5,964,337	8,672,048
Finance income	9	8,489	31,486
Finance costs	9	(398)	(60)
Profit before taxation		5,972,428	8,703,474
Income tax charge	11	(869,293)	(1,038,632)
Loss and total comprehensive expense		(276,865)	(276,865)
Profit for the financial year / period		5,103,135	7,664,842

*Adjusted EBITDA is defined as operating profit before depreciation, amortisation and exceptional items and is a non-GAAP measure. All amounts relate to continuing operations.

Balance sheet as at 31 December 2021

	As at 31 December 2021	As at 31 March 2021 (As restated)
Note	£	£
Non-current assets		
Intangible assets	12 7,594,533	6,914,857
Property, plant, and equipment	13 347,890	294,793
Investments	14 -	904,000
	<u>7,942,423</u>	<u>8,113,650</u>
Current assets		
Debtors and other receivables	15 56,611,515	49,878,323
Cash and cash equivalents	6,071,378	8,607,315
	<u>62,682,893</u>	<u>58,485,638</u>
Total assets	<u>70,625,316</u>	<u>66,599,288</u>
Equity		
Ordinary shares	19 198,228	198,228
Share premium	2,320,792	2,320,792
Employee Benefit Trust share scheme	(1,735)	(1,735)
Other reserve	138,755	138,755
Capital redemption reserve	49,126	49,126
Retained equity	20 42,616,201	39,022,082
	<u>45,321,367</u>	<u>41,727,248</u>
Non-current liabilities		
Trade and other payables	18 1,374,647	2,431,230
Deferred tax	17 394,049	170,413
	<u>1,768,696</u>	<u>2,601,643</u>
Current liabilities		
Trade and other payables	16 23,535,253	22,270,397
Total liabilities	<u>25,303,949</u>	<u>24,872,040</u>
Total equity and liabilities	<u>70,625,316</u>	<u>66,599,288</u>

ANS Group Limited

Balance sheet as at 31 December 2021

The notes on pages 18 to 38 are an integral part of these financial statements.

The financial statements on pages 14 to 38 were approved by the board of directors on 1st September 2022 and were signed on its behalf by:



P Shannon
Director
Company number 03176761

ANS Group Limited

Statement of changes in equity for the period ended 31 December 2021

	Ordinary shares	Share premium account	Employee Benefit Trust reserve	Capital redemption reserve	Other reserve	Retained earnings	Total Equity
Note	£	£	£	£	£	£	£
Balance at 1 April 2020	198,228	2,320,792	(1,735)	49,126	138,755	31,357,240	34,062,406
Profit and total comprehensive Income for the year						7,664,842	7,664,842
Balance at 31 March 2021	198,228	2,320,792	(1,735)	49,126	138,755	39,022,082	41,727,248
Balance at 1 April 2021	198,228	2,320,792	(1,735)	49,126	138,755	39,022,082	41,727,248
Profit and total comprehensive Income for the year						5,103,135	5,103,135
Dividend paid						(1,316,690)	(1,316,690)
Prior year adjustment						(192,326)	(192,326)
Balance at 31 December 2021	198,228	2,320,792	(1,735)	49,126	138,755	42,616,201	45,321,367

*Other Reserves is a non-distributable reserve relating to a former subsidiary undertaking.

Notes to the financial statements for the period ended 31 December 2021

1 General Information

ANS Group Limited is a private company limited by shares incorporated and domiciled in the United Kingdom (UK) under the Companies Act 2006. The nature of the company's operations and its principal activities are set out in the Strategic and Directors' Reports on pages 1 through to 8.

The address of the registered office is 1 Archway, Birley Fields, Manchester, M15 5QJ. The registered number of the company is 03176761.

These company financial statements are prepared in Pounds Sterling. The company and ultimate parent company operates solely in the UK.

2 Statement of Compliance

The company financial statements of ANS Group Limited have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

a) Exemptions

The company has taken advantage of the exemption (Companies Act 2006 s400) not to prepare group financial statements and cashflow statement on the basis that the company is included within the consolidated group financial statements of Project Mountain Holdco Ltd which are publicly available.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken exemptions available to it in the preparation of its financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement, intra-group transactions, financial instrument disclosures and remuneration of key management personnel.

3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 4. The company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different sectors. As a consequence, the Directors believe that the company is well placed to manage its business risks successfully.

Notes to the financial statements for the period ended 31 December 2021 (continued)

3 Summary of Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

b) Going Concern

The Directors have prepared the cash flow forecasts for a period of at least 12 months from the date of the approval of the financial statements. On the basis that the cash flow projections indicate sufficient headroom against the available facilities, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

c) Foreign Currency

Functional and Presentation Currency

The company's functional currency is pound sterling which is presented in these financial statements.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. Exchange differences are taken into account in arriving at the operating profit and are largely driven by US Dollar fluctuations.

d) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for goods and services sold, net of discounts, exchange rate differences where sales are conducted in foreign currencies and value added taxes.

Managed Services

Fee income represents revenue earned under a wide variety of contracts for installation and maintenance services. Revenue is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for its performance under these contracts. Revenue is recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. The excess of the right to consideration over invoiced amounts is shown as accrued income in debtors. Income invoiced in advance is shown as deferred income within creditors.

Cloud Services

Fee income represents revenue earned for professional services pertaining to a Cloud Services contract. Revenue is recognised as and when work is performed, based on days delivered as a proportion of total

Notes to the financial statements for the period ended 31 December 2021 (continued)

3 Summary of Significant Accounting Policies (continued)

d) Revenue Recognition (continued)

days sold. The excess of the right to consideration over invoiced amounts is shown as accrued income in debtors. Income invoiced in advance is shown as deferred income within creditors.

Hardware

Revenue on hardware sales is recognised when the company transfers control of the asset to the customer, which is usually at the time the product is shipped.

Other

Fee income represents revenue earned for all non-Cloud professional services contracts. Revenue is recognised as and when work is performed, based on days delivered as a proportion of total days sold. The excess of the right to consideration over invoiced amounts is shown as accrued income in debtors. Income invoiced in advance is shown as deferred income within creditors.

e) Intangible Fixed Assets, Amortisation, and Impairment

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the income statement account over its estimated economic life of 10 years, commencing from the date of acquisition.

Costs directly attributable to the development of services are capitalised as intangible assets, provided the product or process is technically and commercially feasible and the company is subsequently able to make use of the intangible asset. These assets are amortised over 5 years.

The Directors carry out a regular review for impairment in accordance with FRS 102, taking into consideration recurring income streams and continued employment of key staff acquired with these businesses.

f) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- Leasehold improvements 20% straight line
- Motor vehicles 33% straight line
- Fixtures and fittings 33% straight line

g) Investments

Investments held as fixed assets are shown at cost less provision for diminution in value.

h) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Notes to the financial statements for the period ended 31 December 2021 (continued)

3 Summary of Significant Accounting Policies (continued)

h) Inventories (continued)

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

i) Exceptional Items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company. The breakdown of the non-recurring items for the period are disclosed in note 7.

j) Leased Assets

Lease contracts are operating leases.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

k) Provisions and Contingencies

Provisions are recognised when the company has a legal or constructive obligation resulting from past events and it is probable that payment will be required to meet the obligation, and that the amount can be calculated in a reliable manner. No provisions are made for future operating losses.

l) Impairment of Assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss account.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years.

m) Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

n) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other

Notes to the financial statements for the period ended 31 December 2021 (continued)

3 Summary of Significant Accounting Policies (continued)

n) Taxation (continued)

comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred Tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities of other future taxable profits.

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

o) Cash and Cash Equivalents

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

p) Financial Instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, whereby the transaction is measured at the present value of the future receipts, discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting date financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was

Notes to the financial statements for the period ended 31 December 2021 (continued)

3 Summary of Significant Accounting Policies (continued)

p) Financial Instruments (continued)

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 the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables 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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Offsetting

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 a net basis or to realise the asset and settle the liability simultaneously.

q) Employee Benefit Trust

The assets of the ANS Group Limited Employee Benefit Trust ("the EBT") are held separately from those of the company by an independently administered intermediary. In accordance with the principles of UITF Abstract 38, the company continues to recognise the assets of the intermediary until such time as

Notes to the financial statements for the period ended 31 December 2021 (continued)

3 Summary of Significant Accounting Policies (continued)

q) Employee Benefit Trust (continued)

they vest unconditionally in the identified beneficiaries.

Finance costs and administrative expenses of the EBT are recorded in the company's profit and loss account where material; gains and losses on the purchase, sale, issue, or cancellation of the company's own shares are recorded as movements on reserves.

Investments in the company's own shares held by the EBT are presented as a deduction from reserves and any dividend income received by the EBT is deducted from the aggregate of dividends paid and proposed.

Employer financed retirement benefit schemes (EFRBS)

In accordance with UITF Abstract 32 "Employee Benefit Trusts and other intermediate payment arrangements", the company does not include the assets and liabilities of the scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the scheme and will not have control of the rights or other access to those future economic benefits.

r) Related Party Transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4 Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

Estimates 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 company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Tax

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax matters based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences may impact the corporation tax and deferred tax provisions in the period in which such a determination is made.

Notes to the financial statements for the period ended 31 December 2021 (continued)

4 Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty (continued)

Impairment of assets

At each reporting date, fixed assets, including goodwill, intangible assets, and tangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. In determining whether there is an indication of impairment a number of judgemental factors must be considered, including an estimate of the future economic benefits that can be derived from those assets and current market conditions.

Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, and past experience.

Estimates in accrued and deferred income

Accrued and deferred income are estimated based on actual work delivered on a project or contract compared to the total contract value. It is assumed that a contract will be delivered in equal measure across the contracted period.

5 Revenue

The turnover for the year was derived from the company's principal activity and is attributable solely to the UK market in the following categories of business:

	Period ending Dec-21 £	Year ending Mar-21 £
Managed Services	31,298,647	39,473,668
Cloud Services	7,641,482	6,287,627
Hardware	1,462,213	3,852,994
Other	493,123	2,801,670
Turnover total	40,895,465	52,415,959

Other income refers to professional services income in association with installation, configuration, and maintenance of the hardware.

Notes to the financial statements for the period ended 31 December 2021 (continued)

6 Operating profit

	Note	Period ended Dec-21 £	Year ended Mar-21 £
Operating profit has been arrived at after charging / (crediting):			
Depreciation	13	172,785	346,762
Amortisation	12	1,133,750	1,436,551
Impairment	14	100,200	-
Operating lease rentals		135,058	289,093
Difference on foreign currency		11,543	34,087
		1,553,336	2,106,493

7 Non-recurring items

	Period ending Dec-21 £	Year ending Mar-21 £
Restructuring and legal costs	1,171,474	293,843
COVID	-	57,722
	1,171,474	351,565

One-off restructuring and legal costs were incurred during the acquisition of ANS by Inflexion. COVID-19 costs relate to furloughed employee costs (Basic pay, National Insurance, Pension).

Notes to the financial statements for the period ended 31 December 2021 (continued)

8 Auditors' remuneration

	Period ending Dec-21 £	Year ending Mar-21 £
Audit of the Company financial statements	34,500	26,250
Other services: - other non-audit related services	10,000	9,710
	44,500	35,960

9 Finance income and finance costs

	Period ending Dec-21 £	Year ending Mar-21 £
Finance income		
Bank interest receivable	457	4,357
Interest receivable from employee loans	8,032	27,129
Interest receivable from corporation tax refund	-	-
	8,489	31,486
Finance costs		
Bank interest payable and charges	398	60
	398	60

Notes to the financial statements for the period ended 31 December 2021 (continued)

10 Employees and employee benefits

(a) Employees

	Period ending Dec-21 £	Year ending Mar-21 £
Wages and salaries	11,323,477	12,706,250
Social security costs	1,225,504	1,414,182
Pension costs	200,728	212,441
	12,749,709	14,332,873

The average monthly number of persons (including executive Directors) employed by the Company during the period was:

	Period ending Dec-21 Number	Year ending Mar-21 Number
Administrative	37	36
Sales and marketing	74	64
Professional services	80	73
Managed services	109	96
	300	269

(b) Directors

	Period ending Dec-21 £	Year ending Mar-21 £
Directors' emoluments	466,889	498,799
Pension	5,980	3,829
Highest paid director	169,167	189,343
Pension	2,311	1,313

During the year retirement benefits were accruing to 4 (2021 March YE: 3) Directors in respect of defined contribution pension schemes. One director (A P Barrow) with retirement benefits accruing, left the business 17th June 2021.

Notes to the financial statements for the period ended 31 December 2021 (continued)

11 Income Tax Expense

(a) Tax expense included in the profit and loss:

	Period ended December 2021 £	Year ended March 2021 £
Current tax		
Tax charge for the year	648,030	917,864
Adjustments in respect of prior period	(2,373)	(2,877)
	645,657	914,987
Deferred tax		
Origination and reversal of temporary differences	219,070	413,113
Adjustments in respect of prior period	(33,281)	(289,468)
Change in tax rates	37,847	-
	223,636	123,645
Total income tax charge	869,293	1,038,632

Notes to the financial statements for the period ended 31 December 2021 (continued)

11 Income Tax Expense (continued)

(b) Reconciliation of the Tax / Charge

Tax assessed for the year differs from (2021 March YE differs from) the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2021 March YE: 19%). The differences are explained below:

	Period ended December 2021 £	Year ended March 2021 £
Profit before tax	5,972,428	8,703,474
Profit before tax at 19.0% (March 2021: 19.0%)	1,134,761	1,653,660
Tax effects of:		
Adjustments in respect of prior year	(35,654)	(2,877)
Expenses not deductible	178,234	360
Effects of group relief/ other relief	(610,697)	(499,703)
R&D tax relief	494	(233,291)
Income not taxable for tax purposes	(36,542)	-
Effects of changes in tax rates	-	(289,467)
Remeasurements of deferred tax for changes in tax rates	90,425	-
Fixed asset differences	148,272	409,950
Tax charge	869,293	1,038,632

(c) Tax rate changes

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

Notes to the financial statements for the period ended 31 December 2021 (continued)

12 Intangible assets

	Goodwill £	Development costs £	Total £
Cost or valuation			
At 1 April 2021	10,253,687	2,422,082	12,675,769
Additions	-	1,009,426	1,009,426
Reclass from Investments	804,000	-	804,000
At 31 December 2021	11,057,687	3,431,508	14,489,195
Accumulated Amortisation			
At 1 April 2021	4,861,932	898,980	5,760,912
Amortisation	832,598	301,152	1,133,750
At 31 December 2021	5,694,530	1,200,132	6,894,662
Net book amount			
At 31 March 2021	5,391,755	1,523,102	6,914,857
At 31 December 2021	5,363,157	2,231,376	7,594,533

**Notes to the financial statements for the period ended 31 December 2021
(continued)**

13 Property, Plant & Equipment

	Motor vehicles £	Fixtures and fittings £	Leasehold property £	Total £
Cost				
At 1 April 2021	22,038	5,046,126	465,438	5,533,602
Additions		199,166	26,716	225,882
At 31 December 2021	22,038	5,245,292	492,154	5,759,484
Accumulated depreciation				
At 1 April 2021	22,038	4,768,251	448,520	5,238,809
Depreciation	-	168,784	4,001	172,785
At 31 December 2021	22,038	4,937,035	452,521	5,411,594
Net book amount				
At 31 March 2021	-	277,875	16,918	294,793
At 31 December 2021	-	308,257	39,633	347,890

Notes to the financial statements for the period ended 31 December 2021 (continued)

14 Investments

	Unlisted investments	Total
	£'000	£'000
At 1 April 2021	904,000	904,000
Reclassification	(804,000)	(804,000)
Impairment	(100,200)	(100,200)
At 31 December 2021	-	-

The Company impaired its shares in FC United of Manchester, a company incorporated in England, as part of the sale of ANS Group to Inflexion Private Equity Partners LLP in June 2021. The investment in Zero2Ten EMEA has been reclassified to intangibles following the hive up of the trade of the business.

Interest in subsidiaries

In 2021 the company had interests in the following subsidiaries:

Name	County of incorporation	Principle activity	Holding	%
Project Daytona Bidco Limited	UK	Holding company	Ordinary shares	100
ANS Group Limited	UK	Digital services provider	Ordinary shares	100
Conatus Group Limited	UK	Dormant company	Ordinary shares	100
Webantic Ventures Limited	UK	Dormant company	Ordinary shares	100
Zero2Ten EMEA	UK	Dormant company	Ordinary shares	100

The registered address of the subsidiaries listed above is: 1 Archway, Birley Fields, Manchester, M15 5QJ.

Notes to the financial statements for the period ended 31 December 2021 (continued)

15 Debtors and other receivables

	Period ending Dec-21 £	Year ending Mar-21 (As restated) £
Trade debtors	9,252,341	10,295,893
Less provision for impairment	(720,356)	(362,348)
	8,531,985	9,933,545
Amounts owed from parent undertakings	38,924,110	29,278,782
Amounts owed by directors (note 23)	960,745	952,745
Prepayments and accrued income	8,039,328	9,617,282
Corporation tax	155,347	95,969
	56,611,515	49,878,323

Amounts owed from parent undertakings are unsecured and carry no interest charge and are redeemable upon demand.

16 Trade & other payables

	Period ended Dec-21 £	Year ended Mar-21 £
Trade creditors	4,085,711	2,662,241
Amounts owed to parent undertakings	1,453,963	1,453,962
Accruals and deferred income	16,497,270	16,925,542
Other taxation and social security	1,498,309	1,228,652
	23,535,253	22,270,397

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

At the balance sheet date the Company had outstanding pension contributions of £nil (2021 March YE: £nil) in respect of defined contribution pension scheme.

Notes to the financial statements for the period ended 31 December 2021 (continued)

17 Deferred tax

	As at 31 December 2021 £	As at 31 March 2021 £
At the beginning of the year	153,129	29,484
Charge to the income statement	223,636	123,645
At the end of the year	376,765	153,129
		£
Fixed asset timing differences	467,227	186,500
Losses	(43,951)	-
Short term timing differences	(46,511)	(33,371)
	376,765	153,129

Unrelieved tax losses of £nil (2021 March YE: £nil) remain available to offset against future taxable trading profits. No deferred tax asset has been recognised in respect of these losses as the recoverability is uncertain.

18 Non-current Trade and other payables

	Period ended Dec-21 £	Year ended Mar-21 £
Non-current		
Accruals and deferred income	1,374,647	2,431,230
	1,374,647	2,431,230

Notes to the financial statements for the period ended 31 December 2021 (continued)

19 Ordinary Shares

Class	Period ended	Year ended
	Dec-21	Mar-21
	£	£
A ordinary	99,453	99,453
B ordinary	69,725	69,725
C ordinary	29,050	29,050
Nominal value ordinary shares	198,228	198,228

Rights attached to share classes

Holders of Ordinary shares are entitled to one vote per share and to a dividend when it is declared by the Company. In the event of a sale of business, the exit distribution shall be distributed, first pari passu to the holders of the Ordinary Shares by paying the nominal amount paid on subscription of the Ordinary shares.

Holders of Ordinary B shares have no voting rights, nor entitlement to dividend. In the event of a sale of business, the exit distribution will be distributed, second to the holders of the Ordinary B shares by paying the nominal amount plus any premium paid on subscription of the Ordinary B shares.

Holders of Ordinary C shares are entitled to one vote per shares, in line with the Ordinary shareholders, and are entitled to a dividend at the discretion of the Directors only when dividends are declared on Ordinary shares. On winding up the holders of Ordinary C shares are third in the exit distribution and are entitled to nominal amount plus premium paid on subscription of the relevant Ordinary C shares.

20 Retained equity

A dividend payment of £1.3 million was made to Project Daytona Bidco (2021 March YE: £nil).

21 Contingent Liabilities and commitments

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 31 December 2021, the outstanding contracts all mature within 1 month (2021 March YE: 1 month) of the year end. The Company is committed to buy US\$ Nil and pay a fixed sterling amount (2021 March YE: US\$ Nil).

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD and GBP:EUR. The fair value of the forward-foreign currency contracts is £Nil (2021 March YE: £Nil)

Notes to the financial statements for the period ended 31 December 2021 (continued)

22 Operating lease commitments

At 31 December 2021 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings Period ended December 2021 £	Land and buildings Year ended March 2021 £
Within one year	-	26,918
	-	26,918

23 Related Party Transactions

Lowry Trading Limited, Godel Technologies Limited & Cloudsmart Limited are related by virtue of common secretary/Director, R Nugent.

The company entered into the following transactions with related parties during the year:

Purchases and management charges from related parties:

	Period ended December 2021 £	Year ended March 2021 £
Lowry Trading Limited	93,535	110,676
Godel Technologies Limited	35	691
Cloudsmart Limited	-	199

All related party transactions have occurred at arm's length.

Included within other debtors are amounts owed by Directors of the Company as scheduled below. The outstanding loan is charged at 8% interest, and the amounts shown represent the closing balance at 31st December 2021.

	As at 31 December 2021 £	As at 31 March 2021 £
P C Shannon	760,945	752,945
C Hodgson	199,800	199,800
	960,745	952,745

**Notes to the financial statements for the period ended 31 December 2021
(continued)**

24 Controlling Party

The company considers Project Daytona Bidco Limited to be the immediate parent company. The smallest and largest group to consolidate these financial statements is Project Mountain Holdco Ltd.

The company previously considered Scott Fletcher to be the ultimate controlling party of the Group.

Inflexion is now the ultimate controlling part of the group, for further information please refer back to the strategic report on page 1.