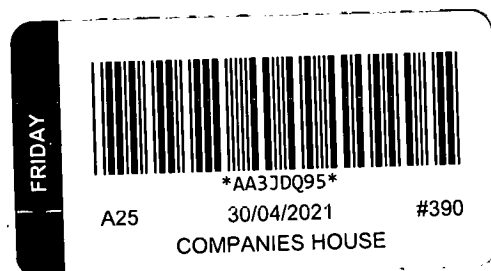


Registered number: 03813447

GIACOM WORLD NETWORKS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020



GIACOM WORLD NETWORKS LIMITED

COMPANY INFORMATION

Directors	M D Wardell T O'Brien T Righton
Registered number	03813447
Registered office	Hampshire House Hampshire Corporate Park Templars Way Chandler's Ford Eastleigh England SO53 3RY
Independent auditor	KPMG LLP Statutory Auditor 1 Sovereign Square Sovereign Street Leeds LS1 4DA

GIACOM WORLD NETWORKS LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Statement of the Directors' Responsibilities in Respect of the Strategic Report, the Directors' Report and the Financial Statements	6
Independent Auditor's Report to the Members of Giacom World Networks Limited	7 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 26

GIACOM WORLD NETWORKS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020

Introduction

The directors present their strategic report, directors' report and the financial statements for the period ended 31 July 2020.

Business review

Giacom is a market-leading cloud solution provider, whose principal activity is the provision of cloud software solutions to the SMB sector through its base of IT resellers.

Giacom serves the UK market through the Cloud.market platform, complemented by best-in-class customer support, from a single location.

During the year under review, further progress in the capability of Cloud.market has seen a record level of growth, with revenue continuing to grow strongly to £48.9m (2019 - £35.5m), and adjusted EBITDA growing by 20% to £6.0m (2019 - £4.98m).

The breadth and capability of services offered has further increased during the year to complement the core Microsoft offering. This has allowed Giacom's network of IT resellers to support and grow the end customer base of c70,000 SMBs supporting their remote working and improved productivity through the provision of leading cloud software solutions.

Adoption of cloud-based services has continued to increase during the year as a result of heightened awareness, and due to the impact of the Covid-19 pandemic in the second half of the year.

The continued strong growth in the business has seen headcount grow to 71 (2019 - 67).

Giacom's leading market position continues to be recognised with several awards, including the Sunday Times Tech Track 100 where Giacom was ranked 47th, and ranking top in Business Insider's fastest-growing businesses in Yorkshire.

COVID-19

The Company's overriding concern is the health, safety and wellbeing of our colleagues, customers and partners. We have complied, and continue to comply, with all relevant UK government recommendations and the vast majority of our colleagues have been working remotely and effectively since March 2020, continuing to provide outstanding service to our customers. This has been enabled by our colleagues' attitude and approach.

During the COVID-19 pandemic, sales have remained highly robust, with an increased level of growth noted immediately prior to lockdown as our customers SMB end organisations moved to cloud solution software enabled by Giacom to enable remote working. The nature of our business has meant that we could continue to provide these services with no disruption.

Our cash collection performance has remained strong with no significant impact arising from the impact of COVID-19 on our customer base and no significant impact on our bad and doubtful debt provision.

With no major impact on our operations or performance, we are pleased not to have needed to use the Government's employee furlough schemes. We have, as a precaution to enhance liquidity, deferred VAT payments of £4.23m as permitted under HMRC's COVID-19 legislation.

Our trading performance between the pandemic outbreak and the date of these accounts has proved to be highly resilient, with the nature of our connected user base inherently less impacted by the shorter term impact of COVID-19. Our business model and highly distributed customer base places us well to respond to future challenges related to the pandemic and related risks which are outside of our control, such as the impact on the wider UK economy. To date we have seen minimal signs of distress within our customer base.

GIACOM WORLD NETWORKS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Principal risks and uncertainties

Giacom has a risk management process to identify, evaluate, manage and mitigate significant risks. Regular review of the risk register forms a key part of senior management meetings.

Market risks

Giacom has a level of dependency on a key supplier but this is managed by a strong level of sales performance meaning Giacom is recognised as a top partner for the supplier. This supplier's core offering is complemented by the provision of products from a number of additional partners, to give a rich service offering to end customers.

Giacom provides services to SMEs with less than 250 employees and with a sweet spot of less than 50 employees. This area of the market is more difficult to address and accordingly has a reduced level of competitive intensity. Continued investment in the Cloud.market platform, and related service and product capability acts as a further strengthening of the company's competitive positioning.

Operational risks

Giacom has seen a high level of growth in recent years with a significant increase in headcount. This increases the risk of recruitment of the right quality of individual, which the Directors keep under ongoing review. Investment has been made in the period in building out the number and quality of the senior management team.

Liquidity risks

The company has a high level of recurring revenue over a well-distributed customer base and a positive working capital cycle. Accordingly there is a good visibility of cashflow which is managed through ongoing cash forecast and review. The company has significant cash balances and structured debt facilities.

Brexit risks

Giacom has no direct exposure to foreign currency fluctuation and trades almost exclusively within the UK. The Directors continue to review Brexit-related developments but at the current time do not consider Brexit to be a principal risk.

Future developments

The Directors anticipate further growth in the coming year as adoption of cloud software continues as businesses continue to move away from on-premise solutions which in addition to more cloud services being deployed provide richer application set for business and contribution to market growth.

Research and development

The group continues to invest in research and development. This has resulted in improvements in the cloud marketplace and products which will benefit the group in the short, medium and long term. Costs in respect of this have been capitalised in the balance sheet. The amount of development costs capitalised in the period was £1.1m.

Going concern

The group has sufficient financial resources together with recurring revenue streams across a wide base of customers. As a consequence the directors believe that the group is well placed to manage its business risks successfully. Thus they continue to adopt the going concern basis in preparing the financial statements.

Subsequent Events

On 18 November 2020, the whole issued share capital of Project Seattle Topco Limited, the ultimate parent company, was acquired by Daisy Bidco Ltd.

GIACOM WORLD NETWORKS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Financial key performance indicators

Management information is reported monthly including Income Statement, Balance Sheet and Cashflow, and compared to budget and prior year, with key variances reviewed. Adjusted EBITDA is the key measure used by management and the Directors to monitor the performance of the company.

	2020	2019
Revenue	£48.9m	£35.5m
Gross Profit	£9.7m	£8.2m
Adjusted EBITDA	£6.01m	£4.98m

Directors' statement of compliance with duty to promote the success of the Company under s172

The Board recognises the requirement to promote the success of the company for the success of its members as a whole, and its duty to consider the needs and concerns of key stakeholders during discussions and decision-making. Material decisions taken in the year include the refinancing of the group's debt; approval of the budget for FY21; and a decision to commence a process of sale of the group of Giacom companies.

In making these significant decisions, the Board took conscious steps to identify and take account of the potential impact on key stakeholder groups (including shareholders, employees, suppliers and customers) and concluded that anticipated outcomes of decisions taken were aligned with promoting the success of the company for the benefit of its members.

Adjusted EBITDA is defined as Operating Profit before Depreciation, Amortisation and Exceptional costs as reconciled to operating profit on page 9.

Overall the Directors are satisfied with the company's continued development and trading performance during the year and will continue to develop the existing activities of the company.

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



M D Wardell
Director

Date:

29/4/2021

GIACOM WORLD NETWORKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020

The directors present their report and the financial statements for the year ended 31 July 2020.

Results and dividends

The profit for the year, after taxation, amounted to £4,079,132 (2019 - £3,539,315).

The company paid a dividend of £6,150,000 in the year (2019 - £1,650,000).

Dividends of £800,000 have been paid post year end.

Directors

The directors who served during the year were:

S D Law (resigned 18 November 2020)

D Manning (resigned 18 November 2020)

M D Wardell

J M Godber (appointed 20 January 2020, resigned 18 November 2020)

J E Moore (appointed 20 January 2020, resigned 18 November 2020)

R J Dawson (resigned 31 December 2019)

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of Project Seattle Bidco Limited (Holding Company).

Matters covered in the strategic report

Information is not shown in the directors' report because it is shown in the strategic report instead under S414C (11). The strategic report includes a business review, principal risks and uncertainties and financial key performance indicators.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 18 November 2020, the whole issued share capital of Project Seattle Topco Limited, the ultimate parent company, was acquired by Daisy Bidco Ltd.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

GIACOM WORLD NETWORKS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

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



M D Wardell
Director

Date: 29/4/2021

GIACOM WORLD NETWORKS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

GIACOM WORLD NETWORKS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GIACOM WORLD NETWORKS LIMITED

Opinion

We have audited the financial statements of Giacom World Networks Limited ("the Company") for the year ended 31 July 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including the accounting policies in note 2..

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

GIACOM WORLD NETWORKS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GIACOM WORLD NETWORKS LIMITED (CONTINUED)

Other information

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Directors' Responsibilities Statement on page 6, 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.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GIACOM WORLD NETWORKS LIMITED
(CONTINUED)**

The purpose of our audit work and to whom we owe our responsibilities

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.



John Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
Date: 29 April 2021

GIACOM WORLD NETWORKS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £	2019 £
Turnover	4	48,890,552	35,466,435
Cost of sales		(39,228,986)	(27,261,110)
Gross profit		9,661,566	8,205,325
Administrative expenses		(5,221,149)	(4,640,745)
Operating profit	5	4,440,417	3,564,580
Interest receivable and similar income	9	193,097	84,337
Profit before tax		4,633,514	3,648,917
Tax on profit	10	(554,382)	(109,602)
Profit for the financial year		4,079,132	3,539,315

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 13 to 26 form part of these financial statements.

	2020 £	2019 £
Operating profit analysed as:		
Adjusted EBITDA	6,009,545	4,979,282
Exceptional costs	(304,818)	(285,065)
Depreciation of property, plant and equipment	(440,871)	(403,012)
Amortisation of intangible assets	(823,439)	(726,625)
	4,440,417	3,564,580

GIACOM WORLD NETWORKS LIMITED
REGISTERED NUMBER: 03813447

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	1,030,598	751,048
Tangible assets	13	976,046	1,114,605
		2,006,644	1,865,653
Current assets			
Debtors: amounts falling due within one year	14	9,414,957	6,917,025
Cash at bank and in hand	15	8,664,031	5,684,401
		18,078,988	12,601,426
Creditors: amounts falling due within one year	16	(19,317,933)	(11,726,750)
Net current (liabilities)/assets		(1,238,945)	874,676
Total assets less current liabilities		767,699	2,740,329
Provisions for liabilities			
Deferred tax	17	(111,275)	(13,037)
		(111,275)	(13,037)
Net assets		656,424	2,727,292
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account		656,324	2,727,192
		656,424	2,727,292

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



M D Wardell
 Director

Date: 29/6/2021

The notes on pages 13 to 26 form part of these financial statements.

GIACOM WORLD NETWORKS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2018	100	837,877	837,977
Comprehensive income for the year			
Profit for the year	-	3,539,315	3,539,315
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,539,315	3,539,315
Equity dividends	-	(1,650,000)	(1,650,000)
Total transactions with owners	-	(1,650,000)	(1,650,000)
At 1 August 2019	100	2,727,192	2,727,292
Comprehensive income for the year			
Profit for the year	-	4,079,132	4,079,132
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	4,079,132	4,079,132
Equity dividends	-	(6,150,000)	(6,150,000)
Total transactions with owners	-	(6,150,000)	(6,150,000)
At 31 July 2020	100	656,324	656,424

The notes on pages 13 to 26 form part of these financial statements.

GIACOM WORLD NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1. General information

Giacom World Networks Limited is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company information page and the nature of the company's operations and its principal activity is disclosed in the Strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Project Seattle Topco Limited as at 31 July 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

GIACOM WORLD NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.3 Going concern

The directors confirm that having reviewed the Company's cash requirements for the 12 months following the date of signing the financial statements, they have a reasonable expectation that the Company has adequate resources to continue to operate and meet its liabilities as and when they fall due.

The Company's business activities and markets in which it operates are set out in the Strategic Report.

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The Company made a statutory profit before tax of £4.6m in the year to 31 July 2020 (2019 - profit of £3.6m) and had net current liabilities of £1.2m at 31 July 2020 (2019 - net current assets of £0.9m). The Company was in net current liability due to £3.6m (2019 - £2.7m) of deferred revenue balance, after the adjustment for this balance the Company will be in net current asset position of £2.4m.

The sectors in which the Company is particularly well represented are diverse and the Company's revenue is fully recurring in nature, which provides good visibility and resilience of future revenue and cash flows, as has been evidenced in the period since the start of COVID-19 in March 2020 where revenue growth for the year ended 31 July 2020 was 39% and the same trend towards significant sales growth was observed post year end.

The directors have prepared cash flow forecasts covering the period of 12 months from the date of approval of the financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Whilst the duration and spread of the outbreak and the resultant economic impact is uncertain, sensitivity analysis has been performed to assess the impact of more severe but plausible downside scenario to future trading. Under this more cautious scenario, revenue is forecast to reduce by 13% compared to the base case scenario have been applied for the period of forecasts which reflects no net growth in licences over an extended period, together with an acceleration of churn in the Hosted Exchange customer base. Both assumptions are in line with the trading position seen in the peak of the lockdown period in April/May 2020 and significantly more severe than the position noted over June 2020 to March 2021. Certain limited mitigation actions are forecast to be implemented to control discretionary cost spend in areas such as travel and lower capital investment. Under this severe but plausible downside scenario, the forecasts demonstrate that the business maintains sufficient liquidity throughout the forecast period.

The directors have closely monitored the spread of COVID-19 and its resulting impact on staff, the economy, IT cloud markets and relevant supply chains. Policies and measures have been put in place dynamically, based on the most up to date information, to maintain the safety of its employees and minimise the risk disruption to the business.

The directors therefore remain confident that the Company has adequate resources to continue to meet its liabilities as and when they fall due, within the period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

GIACOM WORLD NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue is recognised in accordance with customer agreements, on a monthly basis as billed. The amount of revenue can be measured reliably in line with the monthly billed amount, and the Company receives the due consideration quickly following the billing period.

2.5 Research and development

Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over 2 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2.8 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income which they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

GIACOM WORLD NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	2	years
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2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

GIACOM WORLD NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings and computer equipment	-	25% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

GIACOM WORLD NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.18 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 13)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of intangible assets (see note 12)

The company considers whether intangible assets are impaired. Where an indication of impairment is identified estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGU's). This requires estimation of the future cash flows from CGU's and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Recoverability of trade debtors (see note 14)

The recoverability of trade debtors is regularly reviewed in light of the available economic information specific to each debtor and specific provisions are recognised for balances considered to be irrecoverable.

GIACOM WORLD NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

4. Turnover

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of fixed assets	440,871	403,012
Amortisation of development costs	823,439	726,625
Other operating lease rentals	114,129	111,575
Exceptional costs	304,818	285,065
Exchange differences within operating profit	<u>(2,928)</u>	<u>1,100</u>

6. Exceptional costs

Exceptional costs are those that occur in the ordinary course of business but due to their size or incidence are separately disclosed by management.

Holding company costs relating to Board management and shareholder management fees - £195,000 (2019 - £186,000).

Exceptional costs of £109,818 (2019 - £99,065) were incurred relating third party consultancy advice related to international strategy planning.

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>46,750</u>	<u>25,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	<u>13,250</u>	<u>13,000</u>
	<u>13,250</u>	<u>13,000</u>

GIACOM WORLD NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

8. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	2,199,361	2,147,194
Social security costs	220,535	205,630
Cost of defined contribution scheme	97,144	107,768
	<u>2,517,040</u>	<u>2,456,592</u>

Staff costs of £724,705 (2019 - £793,705) were capitalised in the year relating to development activities.

The average monthly number of employees, including directors, during the year was 71 (2019 - 63).

9. Interest receivable

	2020 £	2019 £
Interest receivable from group undertakings	193,097	84,337
	<u>193,097</u>	<u>84,337</u>

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	540,448	405,075
Adjustments in respect of previous periods	(84,304)	(229,324)
Total current tax	<u>456,144</u>	<u>175,751</u>
Deferred tax		
Origination and reversal of timing differences	(25,154)	(138,483)
Adjustment in respect of previous periods	109,031	72,334
Changes to tax rates	14,361	-
Total deferred tax credit	<u>98,238</u>	<u>(66,149)</u>
Taxation on profit on ordinary activities	<u>554,382</u>	<u>109,602</u>

GIACOM WORLD NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	4,633,514	3,648,917
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	880,367	693,294
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,118	2,032
Additional deduction for R&D expenditure	536	(16,184)
Adjustment to deferred tax in respect of prior periods	109,031	72,334
Tax rate differences	14,361	16,292
Group relief	(374,727)	(428,842)
Adjustment in respect of prior year	(84,304)	(229,324)
Total tax charge for the year	554,382	109,602

Factors that may affect future tax charges

The UK Government announced that the planned UK corporation tax main rate reduction from 19% to 17% from 1 April 2020 will not take place as planned. Any deferred tax at 31 July 2020 has been recalculated based on the rate of 19% being the rate substantively enacted at the balance sheet date.

11. Dividends

	2020 £	2019 £
Dividends paid	6,150,000	1,650,000
	6,150,000	1,650,000

Dividends of £61,500 per Ordinary share were paid.

GIACOM WORLD NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

12. Intangible assets

	Capitalised Development Costs £
Cost	
At 1 August 2019	2,842,771
Additions	1,102,989
At 31 July 2020	<u>3,945,760</u>
Amortisation	
At 1 August 2019	2,091,723
Charge for the year on owned assets	823,439
At 31 July 2020	<u>2,915,162</u>
Net book value	
At 31 July 2020	<u>1,030,598</u>
At 31 July 2019	<u>751,048</u>

Amortisation charges are recognised within administrative expenses.

GIACOM WORLD NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

13. Tangible fixed assets

	Fixtures, Fittings and IT Equipment £
Cost or valuation	
At 1 August 2019	2,442,380
Additions	302,312
At 31 July 2020	2,744,692
Depreciation	
At 1 August 2019	1,327,775
Charge for the year on owned assets	440,871
At 31 July 2020	1,768,646
Net book value	
At 31 July 2020	976,046
At 31 July 2019	1,114,605

Depreciation charges are recognised within administrative expenses.

14. Debtors

	2020 £	2019 £
Trade debtors	4,037,478	2,989,513
Amounts owed by group undertakings	1,754,817	1,204,817
Prepayments and accrued income	3,622,662	2,722,695
	9,414,957	6,917,025

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	8,664,031	5,684,401
	8,664,031	5,684,401

GIACOM WORLD NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	7,925,985	5,875,794
Amounts owed to group undertakings	83,413	93,540
Corporation tax	411,401	407,610
Other taxation and social security	5,655,175	1,060,125
Other creditors	19,621	15,931
Accruals and deferred income	5,222,338	4,273,750
	19,317,933	11,726,750

Amounts due from group companies are interest free and repayable on demand.

The Company has deferred £4,238,000 in respect of VAT liability for the year under HMRC's Covid-19 support scheme. This amount is due for repayment in 2021 and is shown within other taxation and social security.

17. Deferred taxation

	2020 £
At beginning of year	13,037
Charged to profit or loss	98,238
At end of year	111,275

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	119,796	17,562
Short term timing differences	(8,521)	(4,525)
	111,275	13,037

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	100	100
	100	100

GIACOM WORLD NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

19. Contingent liabilities

The company has a guarantee in respect of bank borrowings by companies in the Project Seattle Topco Limited Group, primarily the bank loan liability in Project Seattle Bidco Limited of £16.45m.

20. Pension commitments

During the year the Company paid contributions of £66,436 (2019 - £70,136) to a defined contributions pension scheme. At the year end contributions of £19,621 (2019 - £15,931) were recognised as due within other creditors.

21. Commitments under operating leases

At 31 July 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	92,120	91,089
Later than 1 year and not later than 5 years	100,701	191,917
	192,821	283,006
	192,821	283,006

22. Related party transactions

The Company has taken advantage of the exemptions available in FRS102 S33.1A and not disclosed related party transactions with wholly owned subsidiaries of the Group headed by Project Seattle Topco Limited.

	Sales to 2020 £000	Purchases from 2020 £000	Receivables outstanding 2020 £000	Sales to 2019 £000	Purchases from 2019 £000	Receivables outstanding 2019 £000
Entities with control, joint control or significant influence over the Company	-	169	-	-	159	-
Other related parties	2,908	230	437	1010	38	227

Other related parties relate to entities which are controlled by a shareholder or the shareholder has significant influence. Transactions with these entities relate to the trade of the Company and are at normal commercial terms.

23. Post balance sheet events

On 18 November 2020, 100% of the issued share capital of Project Seattle Topco Limited was acquired by Daisy Bidco Ltd. The ultimate parent company of Daisy Bidco Ltd is Panther Topco Limited.

All bank loans and loan note liabilities were repaid as part of the company's acquisition by Daisy Bidco Ltd.

GIACOM WORLD NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

24. Controlling party

The immediate parent company is Giacom Holdings Limited. At the balance sheet date, the ultimate parent Company was Project Seattle Topco Limited which prepares group financial statements. At the balance sheet date, Project Seattle Topco Limited was the parent company of the smallest and largest group in which the company is consolidated. Its registered office is Lindred House, 20 Lindred Road, Brierfield, Nelson, BB9 5SR.

The Directors are of the opinion that up to 18 November 2020 by virtue of their shareholding the company was controlled by LivingBridge 6 LP.