

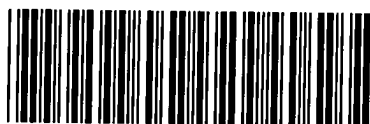
Registered number: 02521249

# **ULTIMA BUSINESS SOLUTIONS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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**ULTIMA BUSINESS SOLUTIONS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M S McNeill R J Shuff (resigned 31 July 2019) J Hall (resigned 31 July 2019) P Dodds T Green (appointed 31 July 2019) V Krishna (appointed 31 July 2019)
<b>Registered number</b>	02521249
<b>Registered office</b>	Gainsborough House Manor Farm Road Reading Berkshire RG2 0NA
<b>Independent auditor</b>	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL

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**ULTIMA BUSINESS SOLUTIONS LIMITED**

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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#### Introduction

Ultima Business Solutions is a market leading cloud technology services company providing full-service consultancy, technology, management, and support of your entire hybrid IT infrastructure. This covers all your workspace devices and applications connecting securely to the public cloud and your private cloud.

We combine unrivalled technical expertise with cutting-edge cloud automation to help businesses work smarter and teams deliver more. We call it Software And A Service.

Our key objective is always to attain the highest levels of customer satisfaction with our services. A total trust model.

We do our best work with like-minded customers looking for industry leading consulting and services to help their own technology teams release time and resources to innovate their business models and accelerate business outcomes. We share the responsibility to minimise the costs of infrastructure while increasing the quality of the services.

As an end to end managed services provider, we believe that the responsibility to manage the cost of your core infrastructure is shared between us. We work together to modernise the infrastructure with the latest technologies whilst using software automation to improve the quality of the services and lower the costs, by reducing incidents and tickets and building high customer satisfaction with the user base.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Business Review

Turnover declined slightly year on year to £119m, from £123m in 2018/2019, although above 2017/2018 of £112m, however the focus has been on a more profitable recurring revenue stream in the business. The latter part of the year, was focused on recalibration of the business targets post acquisition and the embedding of a new strategic plan.

The sale of a majority share to Apse Capital on 31st July 2019 via the immediate parent entity Ultima Bidco Limited took place, with the profitability for FY20 impacted with exceptional costs of £1,554k relating to the process. However, it is positive to be able to report an increase in EBITDA (before exceptional costs) of 30% from £3.5m to £4.5m

During FY20 Ultima consolidated its position as an automation and infrastructure services provider, delivering real projects and transforming clients' productivity.

To enable this process of continuous improvement, we develop our own software IP to manage the infrastructure autonomously. Over the past year we have developed 4 unique software automation products that are now in market:-

- **IA-Connect** is a unique patented software product to enable RPA automation across remote sessions like Citrix and Microsoft RDA, eliminating the need for surface automation.
- **Autonomous Cloud** is an advanced migration, management, monitoring and optimisation solution for Microsoft Azure cloud services, using cloud-based automation software.
- **Autonomous Edge** removes the boundaries associated with remote working. From streamlined remote onboarding so you can set-up new devices in minutes, to providing secure and reliable digital workspaces to improve productivity.
- **Autonomous Workforce** is the development of Robotic Process Automation (RPA) using software robots to emulate how a user interacts with systems and applications through native user interfaces. RPA can expedite back-office tasks in areas such as procurement, finance, IT and human resources, or business processes that require "swivel chair" access to various systems.

Our key vendors have recognised our strategic importance to them. Citrix named us Worldwide Partner of the Year for EMEA and HPE awarded us Value Partner of the Year, UK & Ireland. We won Computing's AI and Machine Learning Award for Best Use of Automation. Microsoft have recognised us as a Gold Partner for the past 25 years and we have accumulated 12 Gold Accreditations spanning App Dev, Azure, Data Management, Business Apps and many more. As an indirect reseller, we have also strengthened our Cloud Solution Provider offering by introducing a new customer portal to help our customers maintain and report against their Microsoft cloud environments. We have been recognised by CRN for the Marketing Employee of the Year and the Southern Tech 100 Award for the most Innovative Tech Company of the year.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Principal risks and uncertainties

This section features some of the principal risks and uncertainties affecting Ultima. The list is not deemed to be exhaustive but does cover those considered to be key at the present time. The Operational Board is responsible for identifying, evaluating, responding to and monitoring the risks within the business.

#### Employee retention and recruitment

Ultima prides itself on being a people centred business. The development and wellbeing of employees is of paramount importance to the Company. Ultima is very aware that employees' development and satisfaction is inextricably linked to the quality of pre and post sales services provided to its customers. Employees are rewarded for exceptional performance and Ultima's Operational Board continually strives to maximise staff retention to ensure consistency in its service delivery.

#### Profitable growth within the competitive marketplace

The IT market is constantly evolving and there is significant pressure on margins. Ultima offers a wide portfolio of complementary technical services and, as a result, is not dependent on any single product lines. One of the primary responsibilities of the Technical Team at Ultima is to assess new technologies so the Company can respond quickly and efficiently to changing customer needs

#### Dependence on specific customers or industry sectors

No one customer accounts for more than 5% of Ultima's total revenue and no one industry sector accounts for more than 10% of total revenue. As such, Ultima is resilient to market and customer fluctuations and changes in buying patterns.

#### Financial key performance indicators

Ultima measures its performance using two main financial KPIs and these are reported to and reviewed by the Operational Board at monthly meetings:

- EBITDA (before exceptional costs) increased by 30% to £4.5M for the year;
- The Company had a cash balance at year end of £6.4M.

#### Other key performance indicators

Ultima also uses non financial KPIs to assess its performance:

- Customer retention. Changes in revenue and profitability are tracked at sector and customer levels.
- Employee retention and attraction. Ultima maintains a high level of staff retention which compares very favourably to the industry average. The Company works hard to attract and retain staff at all levels and endeavours to promote the high performers internally.
- Customer complaints. The level of customer complaints is extremely low and all feedback (both positive and negative) is used to ensure that management systems, working practices and customer service levels are continually improved.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Financial risk management

The financial instruments within the group comprise an Invoice Discounting facility, Senior Debt and cash management. The purpose of these is to raise finance to fund company operations. The main risks arising from these are:

**Interest rate risk**– The key exposure here relates to use of the Invoice Discounting Facility and Interest Payments on the Senior Debt. It is company policy to review and manage cash flow to minimise interest costs.

**Credit risk**– All customers are verified and credit assessed at the outset of any business relationship and are regularly credit checked thereafter. Outstanding invoices are constantly monitored to ensure that customers pay to terms. Ultima has an excellent track record in avoiding significant bad debts write offs.

**Forex risk**– Some customers prefer US\$ or Euro billing on specific transactions. Where this is the case, suppliers are also requested to bill in the same currency to limit risk.

#### Equal opportunities policy

Ultima is committed to providing equal opportunities in employment and opposes all forms of unlawful discrimination. The Company believes that individuals should be treated on their merits and that employment related decisions should be based on objective criteria. Ultima's Equal Opportunities Policy applies to the advertising of jobs and the appointment of individuals, to recruitment in general, to remuneration and benefits, to promotion and training, to disciplinary, performance improvement and redundancy procedures and to all other aspects of employment.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

#### Employee involvement

Ultima operates a flat management structure allowing all employees to have quick and easy access to members of the Operational Board. Each operational team has regular meetings to facilitate a two way communication flow and to discuss relevant corporate matters.

#### The future

Our strategy continues to be developed around the four key pillars below.

Ultima enables business transformation by:

1. Designing and delivering modern infrastructure platforms for hybrid clouds
2. Managing, monitoring, and securing modern infrastructure platforms for hybrid clouds
3. Developing software IP to support infrastructure platform innovation in hybrid clouds
4. Blending all the above with the most skilled and accredited professional services expertise in the industry

The impact of the COVID-19 pandemic is demonstrating the need for all businesses to have flexible, secure, and easily managed infrastructure solutions to keep them operating in the most challenging environments.

We believe that the future of technology infrastructure, in the workspace and in the datacentre, will be driven by automation enabled managed services (Software And A Service) and we will continue to develop innovative software and services solutions to enable our clients to improve productivity, innovation, and growth. With the backing of our investors, Apse Capital, we will look to build the business organically, supported by strategic acquisitions to support the growth strategy.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Directors' statement of compliance with duty to promote the success of the company

The board of directors of Ultima Business Solutions consider both individually and together that they have acted in the way they consider in good faith would be most likely to promote the success of the company for the benefit of its members as a whole (Having regard to the stakeholders and matters set out in S172(a-f) of the Act) in the decisions taken during the year ended 31st March 2020. Pre and Post Sale, Boards have remained consistent in their approach to stakeholder engagement and acknowledging the need to maintain high standards of business conduct. During the decision-making process the Board continues to have regard for the impact of their decisions on the Company's stakeholders as required, taking into account the likely consequence of any decision in the long term. The Board takes their responsibility to understand the views of those stakeholders seriously and strives to build productive business relationships with them. During 2019/2020 Ultima has engaged significantly with our stakeholders throughout the year and will look to continue to do so in 2020/2021.

#### Our People

Directors receive information on various staff metrics. The directors are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The directors keep staff informed of key issues through structured communication channels, promote inclusion in the workplace and also provide training and development opportunities where they are considered of benefit to the company and employees. Using the Company's recruitment and development strategies, the directors seek to attract and retain talented staff. The Company's policy regarding disabled persons is set out on page 4t as well as further detail regarding communication with employees.

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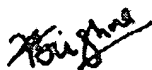
#### Business Relationships

The directors commit considerable time, effort and resources into understanding and responding to the needs of our customers and suppliers with a view to fostering long term mutually beneficial partnerships. We act to service our customer's needs to the highest standards and work quickly to resolve any isolated disagreements that may arise from time to time. The Company seeks to pay all suppliers any undisputed amounts due and that conform with the Company's billing requirements within agreed terms.

#### Community and Environment

The Company takes its role within the community very seriously and promotes and encourages community and charitable contribution. The Company also recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any regulatory environmental standards.

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



V Krishna  
Director

Date: 23 September 2020



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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

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

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### Results

The profit for the year, after taxation, amounted to £1,809,961 (2019 - £1,359,256).

#### Directors

The directors who served during the year were:

M S McNeill  
R J Shuff (resigned 31 July 2019)  
J Hall (resigned 31 July 2019)  
P Dodds  
T Green (appointed 31 July 2019)  
V Krishna (appointed 31 July 2019)

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**ULTIMA BUSINESS SOLUTIONS LIMITED**

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

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**Disclosure of information to 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**

In December 2019, a novel strain of coronavirus surfaced, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organisation on 30 January 2020. The operations and business results of the company could be materially adversely affected. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

**Going Concern**

The company has cash resources and no further requirement for external funding in excess of current facilities. After reviewing forecasts and cashflows carefully the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

In making their assessment the directors have considered the impact on the business and wider group of COVID-19 including the ability of the company to continue to service customers, the impact on future revenues and cash collections and the financial position of the wider group. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

**Auditor**

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

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



**P Dodds**  
Director

Date: 23rd September 2020

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ULTIMA BUSINESS SOLUTIONS LIMITED

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#### Opinion

We have audited the financial statements of Ultima Business Solutions Limited (the 'company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ULTIMA BUSINESS SOLUTIONS LIMITED (CONTINUED)

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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.

#### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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.

#### Responsibilities of directors

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.

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.

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ULTIMA BUSINESS SOLUTIONS LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ULTIMA BUSINESS SOLUTIONS LIMITED  
(CONTINUED)

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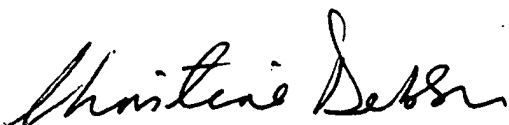
**Auditor's responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Use of our report**

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.



Christine Dobson (Senior Statutory Auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

Date: *24 September 2020*

**ULTIMA BUSINESS SOLUTIONS LIMITED**

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

	Note	2020 £	2019 £
Turnover	4	118,602,846	122,711,277
Cost of sales		(99,522,389)	103,885,381)
<b>Gross profit</b>		<b>19,080,457</b>	<b>18,825,896</b>
Distribution costs		(9,129,186)	(9,805,297)
Administrative expenses		(6,636,331)	(6,449,223)
Exceptional administrative expenses	13	(1,554,000)	(523,091)
<b>Operating profit</b>	5	<b>1,760,940</b>	<b>2,048,285</b>
Income from fixed assets investments	9	646	628
Interest receivable and similar income	10	5,374	13,066
Interest payable and expenses	11	(2,153)	(43,902)
<b>Profit before tax</b>		<b>1,764,807</b>	<b>2,018,077</b>
Tax on profit	12	45,154	(658,821)
<b>Profit for the financial year</b>		<b>1,809,961</b>	<b>1,359,256</b>

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

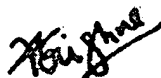
The notes on pages 14 to 32 form part of these financial statements.

**ULTIMA BUSINESS SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 02521249**

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	14	934,043	-
Tangible assets	15	2,275,501	3,407,982
Investments	16	6,034	6,034
		<u>3,215,578</u>	<u>3,414,016</u>
<b>Current assets</b>			
Stocks	17	229,222	101,749
Debtors: amounts falling due within one year	18	25,040,642	27,403,992
Cash at bank and in hand	19	6,372,304	213,279
		<u>31,642,168</u>	<u>27,719,020</u>
Creditors: amounts falling due within one year	20	(25,695,026)	(24,013,805)
<b>Net current assets</b>		<u>5,947,142</u>	<u>3,705,215</u>
<b>Total assets less current liabilities</b>		<u>9,162,720</u>	<u>7,119,231</u>
<b>Provisions for liabilities</b>			
Deferred tax	22	(7,300)	(115,022)
<b>Net assets</b>		<u><u>9,155,420</u></u>	<u><u>7,004,209</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	107,125	100,000
Share premium account		334,125	-
Profit and loss account		8,714,170	6,904,209
		<u><u>9,155,420</u></u>	<u><u>7,004,209</u></u>

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



V Krishna  
Director

Date: 23 September 2020

The notes on pages 14 to 32 form part of these financial statements.

**ULTIMA BUSINESS SOLUTIONS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 April 2018</b>	<b>100,000</b>	<b>-</b>	<b>5,544,953</b>	<b>5,644,953</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,359,256	1,359,256
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,359,256</b>	<b>1,359,256</b>
<b>At 1 April 2019</b>	<b>100,000</b>	<b>-</b>	<b>6,904,209</b>	<b>7,004,209</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,809,961	1,809,961
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,809,961</b>	<b>1,809,961</b>
Shares issued during the year	7,125	334,125	-	341,250
<b>Total transactions with owners</b>	<b>7,125</b>	<b>334,125</b>	<b>-</b>	<b>341,250</b>
<b>At 31 March 2020</b>	<b>107,125</b>	<b>334,125</b>	<b>8,714,170</b>	<b>9,155,420</b>

The notes on pages 14 to 32 form part of these financial statements.



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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 1. General information

Ultima Business Solutions Limited operates in the provision of IT Infrastructure and Managed Service solutions.

The company is a private company (registered number 02521249) limited by shares, which is incorporated in the UK. The address of the registered office is Gainsborough House, Manor Farm Road, Reading, RG2 0NA

#### 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 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 judgment 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 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) and 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 7 Statement of Cash Flows;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

This information is included in the consolidated financial statements of Ultima Topco Limited as at 31 March 2020 and these financial statements may be obtained from 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

The company has cash resources and no further requirement for external funding in excess of current facilities. After reviewing forecasts and cashflows carefully the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

In making their assessment the directors have considered the impact on the business and wider group of COVID-19 including the ability of the company to continue to service customers, the impact on future revenues and cash collections and the financial position of the wider group. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

##### 2.4 Foreign currency translation

###### Functional and presentation currency

The company's functional and presentational currency is GBP.

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###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.5 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:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.6 Operating leases: the company as lessor

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

##### 2.7 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

##### 2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.10 Borrowing costs

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

##### 2.11 Pensions

###### Defined contribution pension plan

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 payment obligations.

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

##### 2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet 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 Balance Sheet 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

##### 2.14 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. Amortisation is charged from the date the assets are available for use and provided on the following basis:

Computer software - 33-50% straight line

The assets are reviewed for impairment if factors indicate the carrying amount may be impaired.

The costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditure that does not meet these criteria is recognised as an expense as incurred.

##### 2.15 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.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.15 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:

Motor vehicles	- 25% straight line
Office equipment	- 20-50% straight line
Leasehold improvements	- 6-20% straight line

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 the Statement of Comprehensive Income.

##### 2.16 Valuation of investments

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period.

##### 2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

##### 2.18 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.

##### 2.19 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.

##### 2.20 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.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.21 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 the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

##### 2.22 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements and accounting estimates that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

##### Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is any indication that the assets are impaired. If there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the assets's continued use. If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### Useful life of intangible assets

The directors establish a reliable useful life of intangible assets. This estimate is based on the expected useful life of the asset and the predicted life of a product. The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

#### 4. Turnover

The Directors have opted not to disclose an analysis of turnover by class of business as they believe that it would seriously prejudice the Company's interest.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	114,991,656	118,037,243
Rest of Europe	3,473,414	3,766,935
Rest of the World	137,776	907,099
	<u>118,602,846</u>	<u>122,711,277</u>



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ULTIMA BUSINESS SOLUTIONS LIMITED

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

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5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Exchange differences	47,184	(14,349)
Operating lease payments	985,439	1,290,832
	<u>985,439</u>	<u>1,290,832</u>

6. 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	20,000	17,500
	<u>20,000</u>	<u>17,500</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the ultimate parent company.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	21,366,899	21,679,493
Social security costs	2,793,767	2,619,173
Cost of defined contribution scheme (note 23)	750,023	653,193
	<u>24,910,689</u>	<u>24,951,859</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Sales	107	115
Consultancy	123	96
Technical	115	152
Administration	44	49
	<u>389</u>	<u>412</u>

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ULTIMA BUSINESS SOLUTIONS LIMITED

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

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8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	427,173	592,590
Directors pension costs	4,933	17,640
	<u>432,106</u>	<u>610,230</u>

During the year retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £335,186 (2019 - £332,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

2 directors (2019: nil) exercised share options in the company's shares during the year.

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9. Income from investments

	2020 £	2019 £
Income from current asset investments	646	628
	<u>646</u>	<u>628</u>

10. Interest receivable

	2020 £	2019 £
Other interest receivable	5,374	13,066
	<u>5,374</u>	<u>13,066</u>

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ULTIMA BUSINESS SOLUTIONS LIMITED

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

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**11. Interest payable and similar expenses**

	2020 £	2019 £
Bank interest payable	2,153	43,902
	<u>2,153</u>	<u>43,902</u>

**12. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	62,568	614,885
Adjustments in respect of previous periods	-	26,404
<b>Total current tax</b>	<u>62,568</u>	<u>641,289</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(107,722)	17,532
<b>Total deferred tax</b>	<u>(107,722)</u>	<u>17,532</u>
<b>Taxation on profit on ordinary activities</b>	<u>(45,154)</u>	<u>658,821</u>

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**ULTIMA BUSINESS SOLUTIONS LIMITED**

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

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**12. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *higher 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	<u>1,764,807</u>	<u>2,018,077</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	344,934	383,435
Effects of:		
Fixed asset differences	1,507	134,766
Expenses not deductible for tax purposes	210,932	151,557
Exempt dividend income	-	(119)
Other permanent differences	(514,142)	-
Adjustments to tax charge in respect of prior periods (current and deferred tax)	-	(26,404)
Deferred tax timing differences	20,534	15,586
Group relief	(108,919)	-
<b>Total tax charge for the year</b>	<u>(45,154)</u>	<u>658,821</u>

**Factors that may affect future tax charges**

There are no factors that may affect future tax charges.

**13. Exceptional items**

	2020 £	2019 £
Exceptional items	<u>1,554,000</u>	<u>523,091</u>
	<u>1,554,000</u>	<u>523,091</u>

Exceptional administrative expenses relate to costs incurred in respect of the acquisition of the company by Ultima Bidco Limited.

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ULTIMA BUSINESS SOLUTIONS LIMITED

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

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14. Intangible assets

	Computer software £
Cost	
Additions	891,538
Intra-group transfers	42,505
At 31 March 2020	<u>934,043</u>
Net book value	
At 31 March 2020	<u>934,043</u>
At 31 March 2019	<u>-</u>

**ULTIMA BUSINESS SOLUTIONS LIMITED**

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

**15. Tangible fixed assets**

	Motor vehicles £	Office equipment £	Leasehold improvements £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	67,703	3,423,444	3,140,526	6,631,673
Additions	-	64,204	1,060	65,264
Disposals	(26,428)	(138,468)	(141,486)	(306,382)
Inter-group transfers	-	(42,505)	-	(42,505)
At 31 March 2020	41,275	3,306,675	3,000,100	6,348,050
<b>Depreciation</b>				
At 1 April 2019	67,640	2,129,264	1,026,787	3,223,691
Charge for the year on owned assets	63	581,922	573,255	1,155,240
Disposals	(26,428)	(138,468)	(141,486)	(306,382)
At 31 March 2020	41,275	2,572,718	1,458,556	4,072,549
<b>Net book value</b>				
At 31 March 2020	-	733,957	1,541,544	2,275,501
At 31 March 2019	63	1,294,180	2,113,739	3,407,982

**16. Fixed asset investments**

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2019	6,034
At 31 March 2020	6,034

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**ULTIMA BUSINESS SOLUTIONS LIMITED**

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

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**17. Stocks**

	2020 £	2019 £
Finished goods and goods for resale	229,222	101,749
	<u>229,222</u>	<u>101,749</u>

**18. Debtors**

	2020 £	2019 £
Trade debtors	18,430,556	17,176,367
Amounts owed by group undertakings	3,911,059	-
Amounts owed by entities under common control	-	7,410,129
Other debtors	403,504	1,545,657
Prepayments and accrued income	1,958,889	1,271,839
Corporation tax recoverable	336,634	-
	<u>25,040,642</u>	<u>27,403,992</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The company utilises an invoice discounting facility which is secured by way of a fixed and floating charge on the company's assets. A balance of £Nil (2019: £Nil) was outstanding at the year end.

**19. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	6,372,304	213,279
Less: bank overdrafts	-	(4,098,812)
	<u>6,372,304</u>	<u>(3,885,533)</u>

The company is included within the cross company guarantee in relation to the secured bank facility held in Ultima Bidco Limited. There is also a debenture over the assets of Ultima Business Solutions Limited, resulting in a fixed and floating charge over the assets of the company. The balance outstanding as at 31 March 2020 was £11,710,333 (2019: £Nil).

**ULTIMA BUSINESS SOLUTIONS LIMITED**

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

**20. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Bank overdrafts	-	4,098,812
Trade creditors	16,714,131	13,802,013
Amounts owed to entities under common control	20,550	-
Corporation tax	-	421,189
Other taxation and social security	1,180,955	49,787
Other creditors	559,689	73,526
Accruals and deferred income	7,219,701	5,568,478
	<u>25,695,026</u>	<u>24,013,805</u>

**21. Financial instruments**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>29,538,024</u>	<u>27,314,807</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(19,733,409)</u>	<u>(20,272,857)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, amounts owed by entities under common control, other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, bank overdrafts, other creditors and accruals less deferred income.

**22. Deferred taxation**

	2020 £
At beginning of year	115,022
Charged to profit or loss	(107,722)
<b>At end of year</b>	<u><u>7,300</u></u>



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ULTIMA BUSINESS SOLUTIONS LIMITED

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

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**22. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	7,300	116,713
Short term timing differences	-	(1,691)
	<u>7,300</u>	<u>115,022</u>

**23. Share capital**

	2020 £	2019 £
<b>Authorised, allotted, called up and fully paid</b>		
1,071,250 (2019 - 1,000,000) Ordinary shares of £0.10 each	<u>107,125</u>	<u>100,000</u>

During the year 46,350 of the share options brought forward were cancelled and the remaining balance of 71,250 were exercised whereby a further 71,250 Ordinary shares of £0.10 each were issued, allotted and fully paid up for a total consideration of £341,250.

**24. Pension commitments**

The company offers defined contribution pension scheme arrangements for its staff. The assets of the pension scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £750,023 (2019: £653,193). Contributions totalling £nil (2019: £nil) were payable to the fund at the balance sheet date.

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**ULTIMA BUSINESS SOLUTIONS LIMITED**

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

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**25. Commitments under operating leases: Lessee**

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

	2020 £	2019 £
<b>Land and Buildings</b>		
Not later than 1 year	1,297,590	1,297,590
Later than 1 year and not later than 5 years	5,060,918	5,190,360
Later than 5 years	5,531,250	6,699,398
	<u>11,889,758</u>	<u>13,187,348</u>
	2020 £	2019 £
<b>Other</b>		
Not later than 1 year	1,353	11,607
Later than 1 year and not later than 5 years	-	191
	<u>1,353</u>	<u>11,798</u>

**26. Commitments under operating leases: Lessor**

The company earns rental income by sub-leasing properties it leases to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

At 31 March 2020, the company had contracts with tenants to receive the following future minimum lease payments:

	2020 £	2019 £
Not later than 1 year	-	300,300
Later than 1 year and not later than 5 years	-	210,210
	<u>-</u>	<u>510,510</u>

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## ULTIMA BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 27. Related party transactions

The company has taken advantage of the exemption provided within FRS 102 not to disclose related party transactions with wholly owned subsidiaries within the group.

##### Control

On the 31 July 2019 the entire share capital of Ultima Business Solutions Limited, a company controlled by M S McNeill, was acquired by Ultima Bidco Limited.

As at 31 March 2020 the company were owed £Nil (2019: £902,220) by M S McNeill. The maximum amount outstanding at any point in the year was £902,220 (2019: £902,220).

##### Related party transactions

During the year the company paid £1,174,060 (2019: £1,221,033) to Ultima Properties Limited (UPL), a company under the control of M S McNeill for rent and associated charges. Ultima Business Solutions Limited invoiced Ultima Properties Limited £125,234 (2019: £Nil). The company received a management charge of £Nil (2019: £102,000) from Ultima Properties Limited during the year.

At 31 March 2020 Ultima Properties Limited was owed £20,550 by the company (2019: £6,464,685 owed to).

At 31 March 2020 the company was owed £Nil (2019: £945,444 net of provision) by McNeill Family Limited. As at 31 July 2019 the amount owed of £976,081 was written off and is included within exceptional costs.

As disclosed in Note 23 share options owned by key management personnel and directors were exercised at a cost of £341,250.

#### 28. Post balance sheet events

In December 2019, a novel strain of coronavirus surfaced, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organisation on January 30, 2020. The operations and business results of the company could be materially adversely affected. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

#### 29. Controlling party

Ultima Bidco Limited is the immediate parent company, with Ultima Topco Limited being the ultimate parent company. Ultima Topco Limited is the largest and smallest group in which the results of the company are consolidated. The registered offices of the immediate and ultimate parent company is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2 DT.

Ultima Topco Limited is owned by a number of shareholders and individually no shareholder can exert control. Therefore the directors are of the opinion that there is no ultimate controlling party.