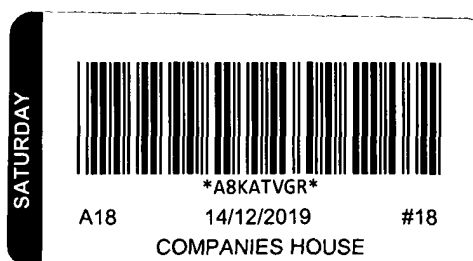


Registration number: 03134540

Daisy Computer Group Limited

Annual Report and Financial Statements

for the year ended 31 March 2019



Daisy Computer Group Limited

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Daisy Computer Group Limited

Company information

Directors	S Oliver P Worthington
Registered office	Lindred House 20 Lindred Road Brierfield Nelson BB9 5SR United Kingdom
Bankers	Bank of Scotland 19/21 Spring Gardens Manchester M2 1FB
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Hardman Square Manchester M3 3EB United Kingdom

Daisy Computer Group Limited

Strategic report for the year ended 31 March 2019

The directors present their strategic report on Daisy Computer Group Limited ("the Company") for the year ended 31 March 2019.

Principal activities

The principal activities of the Company is that of an investment and property holding company.

Business review

The results of the Company can be found on page 10. The financial position of the Company at 31 March 2019 is set out on page 12. At 31 March 2019 the Company had net assets of £22.0 million (2018: £23.8 million).

On 21 December 2018, the Company made a bonus issue of 2,797,000 shares at £1 per share out of the Company's merger reserve.

On 27 December 2018, the Company undertook a capital reduction to reduce the nominal value of its Ordinary Shares from £1 to £0.0001 and cancelled the share premium reserve of £5.1 million.

Acquisitions and disposals

On 1 January 2019 the Company sold its trade and certain assets to a fellow group company, Daisy Corporate Services Trading Limited, at book value amounting to £5.0 million. The consideration was settled through the intercompany accounts.

Prior year restatement

A prior year restatement has been made to account for the ICM Computer Group Pension and Assurance Scheme ("ICM scheme") as a defined benefit scheme as the Company was the sponsoring employer of this scheme. Previously it had been accounted for as a defined contribution scheme in the Company's financial statements. Accordingly, three balance sheets have been presented on page 12. See note 22 for further details.

On 1 April 2018, the sponsoring employer of the ICM scheme became Daisy Holdings Limited. As such, the retirement benefit asset and associated deferred tax liability were transferred to Daisy Holdings Limited at book value of £9,349,000 and £1,616,000 respectively with the consideration settled through the intercompany accounts.

Key performance indicators (KPIs)

The KPIs for the Company are set out below:

	Year ended 31 March 2019	Year ended 31 March 2018
Turnover (£'000)	313	328
Operating (loss)/profit (£'000)	(1,836)	910
Adjusted EBITDA * (£'000)	(1,523)	1,238

* Adjusted EBITDA is operating (loss)/profit before depreciation, which the directors consider the most appropriate measure of the Company's results that they use to make decisions about the business. The reconciliation of Adjusted EBITDA to operating (loss)/profit can be found on the face of the income statement set out on page 10.

The Company has performed in line with expectations for the year. For a full analysis on the movement in KPIs refer to Daisy Group Holdings Limited's consolidated financial statements.

Daisy Computer Group Limited

Strategic report for the year ended 31 March 2019 (continued)

Principal risks and uncertainties

As the Company is a property and investment holding company, the primary risks and uncertainties relate to impairment risk. The Company mitigates this risk by regularly assessing whether there are any indications of impairment and so ensuring assets are held at their recoverable amounts.

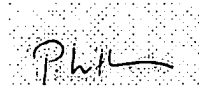
Brexit

Management continues to closely monitor developments in relation to Brexit and the potential consequential political and economic uncertainties in order to mitigate any risks to the business.

Future developments

The Company is a property and investment holding company and so does not trade. The Company has no plans to trade in the future.

Approved by the board on 2 December 2019 and signed on its behalf by:



.....
P Worthington
Director

Daisy Computer Group Limited

Directors' report for the year ended 31 March 2019

The directors present their annual report and the audited financial statements for the Company for the year ended 31 March 2019. Details of future developments can be found in the strategic report and form part of this report by cross reference, as permitted by section 414C of the Companies Act 2006.

Going concern

Under company law, the directors are required to consider whether it is appropriate to prepare financial statements on the basis that the Company is a going concern. The Company is in a net current asset and net asset position, and therefore the going concern basis continues to be adopted in preparing the financial statements (see note 1).

Financial risk management

The Company's operations expose it to a limited number of financial risks as it is a property and investment holding company. The Company's fellow group subsidiaries arrange and manage external debt funding.

Policy on payment to suppliers

The Company's supplier payment policy is to agree terms and conditions for business transactions with suppliers. Suppliers are made aware of the Company's terms of payment. Payment is then made subject to these terms and conditions being met.

Proposed dividend

The directors do not recommend a dividend for the financial year (2018: £nil).

Directors of the Company

The directors who held office during the year were and up to the point of signing the financial statements are given below:

N Marke (resigned 1 February 2019)

N Muller (resigned 22 June 2018)

S Smith (resigned 1 February 2019)

D McGlennon (appointed 22 June 2018 and resigned 1 February 2019)

S Oliver (appointed 1 December 2018)

P Worthington (appointed 1 December 2018)

Directors' and officers' liability insurance and indemnity

The Group has indemnity insurance in place on behalf of its directors during the year which remains in force at the date of this report. The articles of association of certain associated companies also contain indemnification provisions in favour of Group directors to the extent permitted by law. In addition, the Company has previously made qualifying third party indemnity provisions for the benefit of certain directors of the Company which remained in place throughout the year and continue to be in force at the date of this report.

Daisy Computer Group Limited

Directors' report for the year ended 31 March 2019 (continued)

Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that:

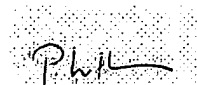
- (a) so far as the directors are aware, there is no relevant information of which the Company's auditors are unaware; and
- (b) each director has taken all the steps that ought to have taken as a director in order to make aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent auditors

Deloitte LLP resigned as auditors of the Company on 7 January 2019 and PricewaterhouseCoopers LLP were appointed in their place on 6 February 2019. A resolution to re-appoint PricewaterhouseCoopers LLP as the Company's auditors will be proposed at the next directors' meeting.

Approved by the Board of Directors on 2 December 2019 and signed on its behalf by:



.....
P Worthington
Director

Daisy Computer Group Limited

Directors' responsibilities statement

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

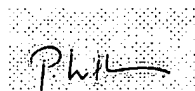
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Approved by the Board of Directors on 2 December 2019 and signed on its behalf by:



.....
P Worthington
Director

Daisy Computer Group Limited

Independent auditors' report to the members of Daisy Computer Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Daisy Computer Group Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2019; the Income statement, the Statement of comprehensive income, and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

Daisy Computer Group Limited

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Daisy Computer Group Limited

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



.....
Philip Storer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
United Kingdom

2 December 2019

Daisy Computer Group Limited

Income statement for the year ended 31 March 2019

		Year ended 31 March 2019 £ 000	Restated Year ended 31 March 2018 £ 000
	Note		
Turnover	3	313	328
Net administrative (expenses)/income		<u>(2,149)</u>	<u>582</u>
Operating (loss)/profit	4	<u>(1,836)</u>	<u>910</u>
Adjusted EBITDA *		(1,523)	1,238
Depreciation	10	<u>(313)</u>	<u>(328)</u>
Operating (loss)/profit	4	<u>(1,836)</u>	<u>910</u>
Interest receivable and similar income	5	<u>-</u>	<u>169</u>
(Loss)/profit before tax		(1,836)	1,079
Tax on (loss)/profit	9	<u>-</u>	<u>(24)</u>
(Loss)/profit for the financial year		<u><u>(1,836)</u></u>	<u><u>1,055</u></u>

All results in the current and prior year derive from continuing activities.

*- operating (loss)/profit before depreciation.

Daisy Computer Group Limited

Statement of comprehensive income for the year ended 31 March 2019

	Year ended 31 March 2019 £ 000	Restated Year ended 31 March 2018 £ 000
(Loss)/profit for the financial year	<u>(1,836)</u>	<u>1,055</u>
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Actuarial gain on defined benefit pension schemes	-	2,042
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>-</u>	<u>(347)</u>
	<u>-</u>	<u>1,695</u>
Total comprehensive (expense)/income for the financial year	<u><u>(1,836)</u></u>	<u><u>2,750</u></u>

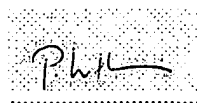
The notes on pages 15 to 33 form an integral part of these financial statements.

Daisy Computer Group Limited

Balance sheet as at 31 March 2019

		31 March 2019	Restated 31 March 2018	Restated 31 March 2017
	Note	£ 000	£ 000	£ 000
Fixed assets				
Tangible assets	10	9,077	9,746	10,074
Investments	11	3,023	3,023	3,023
Retirement benefit asset	17	-	9,349	6,138
		<u>12,100</u>	<u>22,118</u>	<u>19,235</u>
Current assets				
Debtors	12	12,974	25,981	24,908
Creditors: amounts falling due within one year	13	<u>(2,193)</u>	<u>(21,040)</u>	<u>(19,846)</u>
Net current assets		<u>10,781</u>	<u>4,941</u>	<u>5,062</u>
Total assets less current liabilities		22,881	27,059	24,297
Creditors: amounts falling due after more than one year	14	(895)	(1,255)	(1,614)
Provisions for liabilities	15	<u>(12)</u>	<u>(1,994)</u>	<u>(1,623)</u>
Net assets		<u>21,974</u>	<u>23,810</u>	<u>21,060</u>
Capital and reserves				
Called up share capital	16	1	6,081	6,081
Share premium reserve	16	-	5,062	5,062
Merger reserve	16	-	2,797	2,797
Pension reserve		(604)	(604)	(2,299)
Profit and loss account		<u>22,577</u>	<u>10,474</u>	<u>9,419</u>
Total shareholders' funds		<u>21,974</u>	<u>23,810</u>	<u>21,060</u>

The financial statements on pages 10 to 33 were approved by the Board of Directors on 2 December 2019 and signed on its behalf by:



P Worthington

Director

Company registration number: 03134540

The notes on pages 15 to 33 form an integral part of these financial statements.

Daisy Computer Group Limited

Statement of changes in equity for the year ended 31 March 2019

	Share capital £ 000	Share premium reserve £ 000	Pension reserve £ 000	Merger reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2018 (restated)	6,081	5,062	(604)	2,797	10,474	23,810
Loss for the year	-	-	-	-	(1,836)	(1,836)
Bonus issue of ordinary shares (note 16)	2,797	-	-	(2,797)	-	-
Reduction in nominal value of ordinary shares (note 16)	(8,877)	-	-	-	8,877	-
Cancellation of share premium reserve *	-	(5,062)	-	-	5,062	-
Total comprehensive expense for the year	<u>(6,080)</u>	<u>(5,062)</u>	<u>-</u>	<u>(2,797)</u>	<u>12,103</u>	<u>(1,836)</u>
At 31 March 2019	<u>1</u>	<u>-</u>	<u>(604)</u>	<u>-</u>	<u>22,577</u>	<u>21,974</u>

* On 28 January 2019, the Company undertook a capital reduction via a directors' solvency statement, comprising a cancellation of the share premium reserve of £5.1 million.

The notes on pages 15 to 33 form an integral part of these financial statements.

Daisy Computer Group Limited

Statement of changes in equity for the year ended 31 March 2019 (continued)

	Share capital £ 000	Share premium reserve £ 000	Pension reserve £ 000	Merger reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2017 (as previously reported)	6,081	5,062	-	2,797	2,251	16,191
Recognition of defined benefit pension scheme (note 22)	-	-	(2,299)	-	7,168	4,869
Restated balance at 1 April 2017	6,081	5,062	(2,299)	2,797	9,419	21,060
Restated profit for the year	-	-	-	-	1,055	1,055
Other comprehensive income						
Actuarial gain on defined benefit pension schemes	-	-	2,042	-	-	2,042
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	(347)	-	-	(347)
Restated total comprehensive income for the year	-	-	1,695	-	1,055	2,750
Restated balance at 31 March 2018	6,081	5,062	(604)	2,797	10,474	23,810

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The principal accounting policies, which have been applied consistently throughout the current and prior year, are set out below.

The functional currency of the Company is considered to be pounds sterling because that is the operational currency of the primary economic environment in which the Company operates.

The Company is a private limited company limited by shares and is incorporated and domiciled in the UK and registered in England and Wales. The address of its registered office is Lindred House, 20 Lindred Road, Brierfield, Nelson, BB9 5SR.

The Company has taken advantage of the exemption (Companies Act 2006 s400) not to prepare group financial statements on the basis that the Company is included within the consolidated group financial statements of Daisy Group Holdings Limited which are publically available.

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

Going concern

All funding is currently arranged through fellow group companies which provide working capital facilities to the rest of the Group via intercompany accounts. The divisional forecasts and projections which include the forecast results of the Company, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of the current facilities.

Taking the above into account and the results of the Company for the year, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is measured at fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Turnover of the Company relates to recharges of depreciation to other subsidiary undertakings.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

1 Accounting policies (continued)

Tangible assets

Tangible assets are included in the balance sheet at historical cost, less accumulated depreciation and any impairment losses. Historical cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged on a straight-line basis over the estimated useful life of the asset.

On disposal of tangible assets, the difference between the sale proceeds and the net book value at the date of disposal is recorded in the statement of comprehensive income.

The lives assigned to principal categories of assets are as follows:

Freehold property	50 years
Leasehold land and buildings	Period of lease
Fixtures and fittings	4 to 10 years

Residual values, remaining useful economic lives and depreciation methods are reviewed annually and adjusted prospectively if appropriate.

Fixed asset investments

Investments in subsidiary undertakings held as fixed assets are stated at cost less provision for any impairment. In the opinion of the directors, the value of such investments is not less than shown at the balance sheet date. Impairments to investments are charged to the income statement. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Lease incentives

Lease incentives are deferred on the balance sheet when received and released to the income statement on a straight line basis over the term of the lease.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

1 Accounting policies (continued)

Financial instruments

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

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

Financial assets and liabilities

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

Financial assets and liabilities are offset in the balance sheet only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

1 Accounting policies (continued)

Taxation

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

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

1 Accounting policies (continued)

Pensions

The Company contributes to a Group personal pension plan in respect of certain employees. The plan is a defined contribution plan and the annual charge to the statement of comprehensive income comprises the contributions payable in the year.

The Company participates in the ICM Computer Group Pension and Assurance Scheme ("ICM scheme"), a multi-employer defined benefit pension scheme within the Group. The ICM scheme is administered by a separate fund that is legally distinct from the Company. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme. The trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund. Under the ICM scheme the employees are entitled to retirement benefits varying between 1.25% and 1.67% of final salary, multiplied by number of years of pensionable service, on attainment of retirement age of 65.

The ICM scheme is a multi-employer scheme and the Company was the legal sponsoring entity for this scheme prior to 1 April 2018. Previously the ICM scheme was treated as a defined contribution scheme in the Company's financial statements, therefore a prior year restatement has been made to recognise the retirement benefit asset, the net retirement benefit income and the associated deferred tax liability.

From 1 April 2018, a fellow group company, Daisy Holdings Limited, became the legal sponsoring employer of the ICM scheme. Consequently, the net surplus on the ICM scheme and its associated deferred tax liability were transferred to Daisy Holdings Limited on that date.

Holiday pay

Paid holidays are regarded as an employee benefit and, as such, are charged to the income statement as the benefits are earned. An accrual is made at the balance sheet date to reflect the fair value of holidays earned but not yet taken.

2 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management continually evaluates the estimates, assumptions and judgements based on available information and experience. There are no critical judgements, apart from those involving estimation and assumptions (which are dealt separately below) that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment as at the acquisition date and thereafter for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

3 Turnover

The principal activity of the Company is that of an investment and property holding company in the UK. The Company has a single class of business and consequently does not present a segmental analysis.

4 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	Year ended 31 March 2019 £ 000	Restated Year ended 31 March 2018 £ 000
Depreciation expense	313	328
Operating lease rentals	<u>2,205</u>	<u>2,733</u>

5 Interest receivable and similar income

	Year ended 31 March 2019 £ 000	Restated Year ended 31 March 2018 £ 000
Expected return on defined benefit pension schemes	<u>-</u>	<u>169</u>

6 Auditors' remuneration

Audit fees for the current year amounting to £1,000 (2018: £1,000) were borne by other subsidiaries in the Daisy Group of companies with no recharge. There were no non-audit fees paid in the current or prior year.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

7 Employee information

The average monthly number of persons employed by the company during the year, analysed by category was as follows:

	2019	2018
	No.	No.
Sales and administration	5	11
Technical staff	5	1
	<u>10</u>	<u>12</u>

The aggregate payroll costs recognised in operating (loss)/profit were as follows were as follows:

	Note	Year ended 31 March 2019 £ 000	Year ended 31 March 2018 £ 000
Wages and salaries		297	436
Social security costs		48	48
Other pension costs	17	21	25
		<u>366</u>	<u>509</u>

8 Directors' remuneration

Any remuneration received by the directors was borne by another group company. The Company received a charge of £nil (2018: £7,000) in respect of directors' remuneration during the year.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

9 Tax on (loss)/profit

	Year ended 31 March 2019 £ 000	Year ended 31 March 2018 £ 000
Deferred tax		
Origination and reversal of timing differences	-	11
Adjustment in respect of previous years	-	13
Total deferred tax charge	-	24

The tax charge on loss for the year is higher than the standard rate of corporation tax in the UK (2018: lower than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

	Year ended 31 March 2019 £ 000	Restated Year ended 31 March 2018 £ 000
(Loss)/profit before taxation	(1,836)	1,079
Total tax at 19% (2018: 19%)	(349)	205
Depreciation of non-qualifying assets	45	51
Income not taxable for tax purposes	(5)	(222)
Group relief surrendered/(claimed)	309	(23)
Adjustment in respect of previous years	-	13
Total tax charge for the year	-	24

The Finance (No.2) Act 2015 introduced a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017 and from 19% to 18% from 1 April 2020. These reductions were substantively enacted on 26 October 2015.

The Finance Act 2016 introduced a further reduction in the main rate of corporation tax to 17% from 1 April 2020. This was substantively enacted on 6 September 2016. Accordingly, deferred tax balances that are expected to reverse after 1 April 2020 have been valued at the lower rate of 17%.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

10 Tangible assets

	Freehold property £ 000	Leasehold land and buildings £ 000	Fixtures and fittings £ 000	Total £ 000
Cost				
At 1 April 2018	13,974	303	6,154	20,431
Transfers	-	(303)	(6,154)	(6,457)
At 31 March 2019	13,974	-	-	13,974
Accumulated depreciation				
At 1 April 2018	4,630	63	5,992	10,685
Charge for the year	267	42	4	313
Transfers	-	(105)	(5,996)	(6,101)
At 31 March 2019	4,897	-	-	4,897
Carrying amount				
At 31 March 2019	9,077	-	-	9,077
At 31 March 2018	9,344	240	162	9,746

The transfers relate to fixed assets transferred to Daisy Corporate Services Trading Limited as part of the hive up in the year.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

11 Investments

	Shares in subsidiary undertakings £ 000
Cost	
At 1 April 2018	9,500
Disposals	-
At 31 March 2019	9,500
Accumulated impairment	
At 1 April 2018 and 31 March 2019	6,477
Net book amount	
At 1 April 2018 and 31 March 2019	3,023

The investment in Daisy Wholesale Limited (formerly COYO Limited) of £2 was transferred to Daisy Telecoms Limited at book value. The consideration was settled through the intercompany accounts.

At 31 March 2019, the Company's direct investments in subsidiary undertakings, all of which are registered in England and Wales, were as follows:

Name	Percentage of issued share capital held	Principal business activity
Daisy IT Managed Services Limited	100%	Information technology services
Daisy IT Continuity and Resilience Services Limited	100%	Information technology services

The registered address for all the subsidiaries detailed above is Lindred House, 20 Lindred Road, Brierfield, Nelson, BB9 5SR.

The directors believe that the carrying value of the investments is supported by the underlying net assets and the on-going profitability of the businesses.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

12 Debtors

	31 March 2019 £ 000	31 March 2018 £ 000
Amounts owed by group undertakings	12,974	25,959
Other debtors	-	22
	<u>12,974</u>	<u>25,981</u>

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

13 Creditors: amounts falling due within one year

	31 March 2019 £ 000	31 March 2018 £ 000
Amounts owed to group undertakings	1,836	20,675
Other creditors	357	357
Corporation tax	-	1
Accruals and deferred income	-	7
	<u>2,193</u>	<u>21,040</u>

The amounts owed to group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

14 Creditors: amounts falling due after more than one year

	31 March 2019 £ 000	31 March 2018 £ 000
Other creditors	895	1,255
	<u>895</u>	<u>1,255</u>

Others creditors represent non-current lease premiums.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

15 Provisions for liabilities

The movement in the deferred tax liability in the year is as follows:

	Deferred tax £ 000
At 1 April 2018 (restated)	1,994
Transferred to Daisy Holdings Limited	(1,616)
Transferred on hive up to Daisy Corporate Services Trading Limited	(366)
	<u>12</u>
At 31 March 2019	<u>12</u>

Analysis of deferred tax

	Liability £ 000
2019	
Difference between accumulated depreciation and capital allowances	-
Other timing differences	12
	<u>12</u>

	Liability £ 000
2018	
Difference between accumulated depreciation and capital allowances	415
Other timing differences	1,579
	<u>1,994</u>

16 Called up share capital and reserves

Allotted, called up and fully paid shares

	2019	£	2018	£
No.			No.	
Ordinary shares of £0.0001 each (2018: £1 each)	<u>8,877,529</u>	<u>888</u>	<u>6,080,529</u>	<u>6,080,529</u>

On 21 December 2018, the Company made a bonus issue of 2,797,000 shares at £1 per share out of the Company's merger reserve.

On 27 December 2018, the Company undertook a capital reduction to reduce the nominal value of its Ordinary Shares from £1 to £0.0001 and cancelled the share premium reserve of £5.1 million.

The profit and loss account represents cumulative profits or losses net of dividends paid.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

17 Pension schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £21,000 (2018: £25,000).

Defined benefit pension schemes

The Company participates in the ICM Computer Group Pension and Assurance Scheme ("ICM scheme"), a multi-employer defined benefit pension scheme within the Group. The ICM scheme is administered by a separate fund that is legally distinct from the Company. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme. The trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund. Under the ICM scheme the employees are entitled to retirement benefits varying between 1.25% and 1.67% of final salary, multiplied by number of years of pensionable service, on attainment of retirement age of 65.

The ICM scheme is a multi-employer scheme and the Company was the legal sponsoring entity for this scheme prior to 1 April 2018. Previously the ICM scheme was treated as a defined contribution scheme in the Company's financial statements, therefore a prior year restatement has been made to recognise the retirement benefit asset, the net retirement benefit income and the associated deferred tax liability (see note 22).

From 1 April 2018, a fellow group company, Daisy Holdings Limited, became the legal sponsoring employer of the ICM scheme. Consequently, the net surplus on the ICM scheme and its associated deferred tax liability were transferred to Daisy Holdings Limited, on that date at book value. The net pension surplus and associated deferred tax liability transferred at that date were £9,349,000 and £1,616,000 respectively.

Amounts recognised in the income statement in respect of the defined benefit scheme are as follows:

	Year ended 31 March 2019 £ 000	Restated Year ended 31 March 2018 £ 000
Net interest income on defined benefit assets	-	169

Amounts recognised in the statement of comprehensive income for the year in respect of the defined benefit schemes are as follows:

	Year ended 31 March 2019 £ 000	Restated Year ended 31 March 2018 £ 000
Re-measurement gains	-	1,310
Return on assets in excess of that recognised in net income	-	732
Actuarial gain on defined benefit pension schemes	-	2,042

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

17 Pension schemes (continued)

The amounts included in the balance sheet arising from the Company's defined benefit schemes are as follows:

	31 March 2019	Restated 31 March 2018
	£ 000	£ 000
Fair value of scheme assets	-	39,270
Present value of defined benefit obligations	-	(29,921)
Net surplus defined benefit assets	-	9,349

Movements in the fair value of scheme assets were as follows:

	2019	Restated 2018
	£ 000	£ 000
At the beginning of the year	39,270	41,415
Interest income	-	1,007
Contributions by the employer	-	1,000
Remeasurement gains on scheme assets	-	732
Benefits paid	-	(4,884)
Transferred to Daisy Holdings Limited	(39,270)	-
At the end of the year	-	39,270

Movements in the present value of defined benefit obligations were as follows:

	2019	Restated 2018
	£ 000	£ 000
At the beginning of the year	(29,921)	(35,277)
Interest cost	-	(838)
Re-measurement gains/(losses):		
Actuarial gains from changes in demographic assumptions	-	599
Actuarial gains from changes in financial assumptions	-	979
Actuarial losses from experience	-	(268)
Benefits paid	-	4,884
Transferred to Daisy Holdings Limited	29,921	-
At the end of the year	-	(29,921)

Analysis of assets

The major categories of scheme assets are as follows:

	31 March 2019	Restated 31 March 2018
	£ 000	£ 000
Bonds	-	38,638
Cash and cash equivalents	-	632
	-	39,270

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

17 Pension schemes (continued)

Return on scheme assets

	31 March 2019	Restated 31 March 2018
	£ 000	£ 000
Return on scheme assets	-	732

The pension scheme has not invested in any of the Company's own financial instruments or in properties or other assets used by the Company.

The overall expected return on assets assumption is derived as the weighted average of the expected returns from each of the main asset classes.

Principal actuarial assumptions

The weighted average principal assumptions used by the actuaries were:

	31 March 2019	Restated 31 March 2018
	%	%
Discount rate	-	2.60
Expected rate of salary increases	-	1.90
Future pension increases		
- RPI max 5% p.a.	-	3
- RPI max 2.5%	-	2
- CPI max 5% p.a.	-	2
Inflation (RPI)	-	3
Inflation (CPI)	-	2
Mortality tables used	-	100% of SAPS 2 "All" tables Long-term improvement of 1.25% for men and women

The Company uses CPI as the measure for inflation in increasing deferred pensions prior to retirement.

The current life expectancies post retirement (in years) underlying the value of the accrued liabilities for the defined benefit pension schemes are:

	31 March 2019		31 March 2018	
	Male	Female	Male	Female
Members currently age 65	-	-	86.9	88.8
Member currently age 45	-	-	88.3	90.4

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

18 Contingent liabilities

Daisy Group Limited, a fellow group company, has debt facilities in place which are secured through fixed and floating charges over the assets of the company and its subsidiary undertakings. The total indebtedness against these senior and revolving facilities at 31 March 2019 was £788.5 million (2018: £478.9 million).

Daisy PIKco Limited, a fellow group company, had a payment in kind facility in place secured through fixed and floating charges over the assets of the Group that was paid off in the year. The total indebtedness of this facility at 31 March 2019 was £nil (2018: £347.8 million) including capitalised interest of £nil (2018: £92.8 million).

Another fellow group company, Daisy Midco Limited, secured a payment in kind facility during the year which is also secured through fixed and floating charges over the assets of the Group. The total indebtedness of this facility at 31 March 2019 was £291.9 million (2018: £nil) including capitalised interest of £5.6 million (2018: £nil).

The directors do not expect any material loss to arise in respect of the group security arrangements in place.

19 Commitments

Total future minimum lease payments commitments under non-cancellable operating leases are as follows:

	31 March 2019 £ 000	31 March 2018 £ 000
Within one year	2,205	2,205
Within two to five years	5,511	7,716
	<u>7,716</u>	<u>9,921</u>

20 Related party transactions

The ultimate parent undertaking and controlling party is Daisy Group Holdings Limited which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements can be obtained from the Companies House website.

The Company's immediate parent undertaking is Daisy Corporate Services Trading Limited, a company registered in England and Wales.

The Company's direct subsidiaries are those detailed in note 11.

The registered address of the above companies is Lindred House, 20 Lindred Road, Brierfield, Nelson, BB9 5SR.

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

21 Acquisitions and disposals

On 1 January 2019 the Company sold its trade and certain assets to a fellow group company, Daisy Corporate Services Trading Limited, at book value amounting to £5.0 million. The consideration was settled through the intercompany accounts.

The following are the net assets transferred:

	£ 000
Fixed assets	356
Other debtors	20
Defined benefit pension asset	750
Deferred tax liability	(366)
Amounts due from group undertakings	4,251
	<u>5,011</u>

22 Prior year restatement

The Company participates in the ICM Computer Group Pension and Assurance Scheme ("ICM scheme"), a multi-employer defined benefit pension scheme within the Group. The ICM scheme is administered by a separate fund that is legally distinct from the Company. The Company was the legal sponsoring entity for this scheme prior to 1 April 2018 and the scheme should have been recognised as a defined benefit scheme however it has been recognised as a defined contribution scheme in prior years. A prior year restatement has been reflected retrospectively in the financial statements to recognise the retirement benefit asset, net defined benefit income and the associated deferred tax liability.

The following adjustments have been made in the current year.

Income and statement of comprehensive income extract - Year ended 31 March 2018

	As reported Year ended 31 March 2018 £ 000	Adjustments £ 000	Restated Year ended 31 March 2018 £ 000
Turnover	328	-	328
Net administrative (expenses)/income	(418)	1,000	582
Operating (loss)/profit	(90)	1,000	910
Interest receivable and similar income	-	169	169
(Loss)/profit before tax	(90)	1,169	1,079
Tax on (loss)/profit	(24)	-	(24)
(Loss)/profit for the financial year	(114)	1,169	1,055

Other comprehensive (expense)/income

Items that will not be reclassified subsequently to profit or loss:

Actuarial gain on defined benefit pensions	-	2,042	2,042
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	(347)	(347)
Total comprehensive (expense)/income	(114)	2,864	2,750

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

22 Prior year restatement (continued)

Balance sheet extract - 31 March 2018

	As reported 31 March 2018 £ 000	Adjustments £ 000	Restated 31 March 2018 £ 000
Fixed assets			
Tangible assets	9,746	-	9,746
Investments	3,023	-	3,023
Retirement benefit asset	-	9,349	9,349
	<u>12,769</u>	<u>9,349</u>	<u>22,118</u>
 Provisions for liabilities	 (378)	 (1,616)	 (1,994)
 Net assets	 <u>16,077</u>	 <u>7,733</u>	 <u>23,810</u>
 Capital and reserves			
Called up share capital	6,081	-	6,081
Share premium reserve	5,062	-	5,062
Merger reserve	2,797	-	2,797
Pension reserve	-	(604)	(604)
Profit and loss account	2,137	8,337	10,474
Total shareholders' funds	<u>16,077</u>	<u>7,733</u>	<u>23,810</u>

Daisy Computer Group Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

22 Prior year restatement (continued)

Income and statement of comprehensive income extract - Year ended 31 March 2017

	As reported Year ended 31 March 2017 £ 000	Adjustments £ 000	Restated Year ended 31 March 2017 £ 000
Turnover	342	-	342
Net administrative (expenses)/income	(465)	1,308	843
Operating (loss)/profit	(123)	1,308	1,185
Interest receivable and similar income	-	219	219
Interest payable and similar expenses	(1)	-	(1)
(Loss)/profit before tax	(124)	1,527	1,403
Tax on (loss)/profit	146	-	146
Profit for the financial year	22	1,527	1,549

Other comprehensive income

Items that will not be reclassified subsequently to profit or loss:

Actuarial gain on defined benefit pensions	-	(1,073)	(1,073)
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	182	182
Total comprehensive income	22	636	658

Balance sheet extract - 31 March 2017

	As reported 31 March 2017 £ 000	Adjustments £ 000	Restated 31 March 2017 £ 000
Fixed assets			
Tangible assets	10,074	-	10,074
Investments	3,023	-	3,023
Retirement benefit asset	-	6,138	6,138
	13,097	6,138	19,235
Provisions for liabilities	(354)	(1,269)	(1,623)
Net assets	16,191	4,869	21,060
Capital and reserves			
Called up share capital	6,081	-	6,081
Share premium reserve	5,062	-	5,062
Merger reserve	2,797	-	2,797
Pension reserve	-	(2,299)	(2,299)
Profit and loss account	2,251	7,168	9,419
Total shareholders' funds	16,191	4,869	21,060