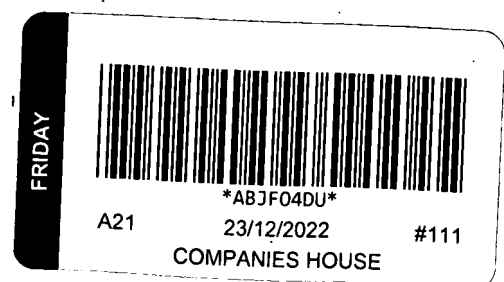


Registration number: 03134540

# Daisy Computer Group Limited

Annual Report and Financial Statements

for the year ended 31 March 2022



# **Daisy Computer Group Limited**

## **Contents**

	Page
Company information	1
Strategic report	2 to 3
Directors' report	4 to 5
Statement of directors' responsibilities in respect of the financial statements	6
Independent auditors' report	7 to 10
Income statement	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements	14 to 23

## **Daisy Computer Group Limited**

### **Company information**

**Directors** P Worthington

L Charlton

**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 2022

The directors present their strategic report on Daisy Computer Group Limited ("the Company") for the year ended 31 March 2022.

#### Principal activity

The principal activities of the Company continued to be those 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 2022 is set out on page 11. At 31 March 2022 the Company had net assets of £3.0 million (Restated 2021: £5.0 million). The loss after tax for the year of £2.0 million (2021: £2.1 million) comprises the lease charges and depreciation on the Company's leased and owned properties in line with prior year, net of dilapidation provision releases to align the carrying value of the provisions with the latest estimated settlement values.

#### Prior period restatement

A restatement of the prior period balance sheet has been made in these financial statements to transfer a dilapidations provision from fellow group company Daisy IT Continuity & Resilience Services Limited in relation to a property, whose lease is in the Company's name. The net impact of this restatement is a decrease in net assets of £1.4 million for the years ended 31 March 2021 and 31 March 2020.

#### Key performance indicators (KPIs)

The KPIs for the Company are set out below:

	Year ended 31 March 2022	Year ended 31 March 2021
Operating loss (£'000)	(2,041)	(2,114)
Adjusted EBITDA * (£'000)	(1,285)	(1,847)

\* Adjusted EBITDA is operating loss before depreciation and net exceptional administrative expenses, 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 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 for the group as a whole, refer to Daisy Holdco Limited's consolidated financial statements.

#### Principal risks and uncertainties

The Company is exposed to limited risks due to the fact that it is a property and investment holding company.

#### 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.

#### Covid-19

The directors have also considered the ongoing Covid-19 global pandemic and the potential impact that this may have on the Company. Based on the nature of the Company's operations and those of its subsidiaries and the minimal impact to date that the pandemic has had on these operations, the directors do not believe that it represents a significant risk to the Company.

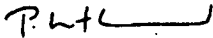
## **Daisy Computer Group Limited**

### **Strategic report for the year ended 31 March 2022 (continued)**

#### **Future developments**

The Company is not expected to trade and will continue as a property and investment holding company.

Approved by the board on 21 December 2022 and signed on its behalf by:



.....  
P Worthington  
Director

## **Daisy Computer Group Limited**

### **Directors' report for the year ended 31 March 2022**

The directors present their annual report and the audited financial statements for the Company for the year ended 31 March 2022. 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. Daisy Group Limited and Daisy Midco Limited, both fellow group companies, have debt facilities in place which are secured through fixed and floating charges over the assets of the Company along with a number of other companies within the Daisy Holdco Limited Group (see note 12). After making adequate enquiries and receiving a confirmation letter from the directors of Daisy Holdco Limited, the directors have a reasonable expectation that the Daisy Holdco Limited Group has adequate resources to continue as a going concern for the foreseeable future.

In addition and with particular reference to the PIK facility drawn by the Daisy Holdco Limited Group through its subsidiary Daisy Midco Limited at the balance sheet date of £213.6 million (including accrued interest), which was used to fund the acquisition of the XLN Group, the directors of the Group have received a letter of support from the provider of this debt, which is also a significant shareholder in the Group, confirming that they will not call in this debt for a period of at least 12 months from the date of approval of these financial statements. Although this facility expired in June 2022 and is currently rolling on a monthly basis, the conversion of this debt into the Group's existing longer term PIK with an expiry date of 2027 has been agreed with the debt provider and is currently in the process of being formally documented.

The Company is in a net current liability position and is loss-making due to the rental charges it pays on property leases in its name, which are settled in cash on its behalf by its immediate parent company. The directors have received a letter from the directors of the ultimate parent undertaking, Daisy Holdco Limited, confirming that the ultimate parent undertaking will provide sufficient financial support to enable the Company to meet its liabilities as they fall due for at least the next 12 months. As such, the directors continue to adopt the going concern basis in preparing the financial statements (see note 1).

#### **Financial risk management**

The Company is exposed to limited risks due to the fact that it is a property and investment holding company.

#### **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.

#### **Dividends**

The directors do not recommend the payment of a dividend (2021: £nil).

#### **Directors**

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

S Oliver (resigned 18 March 2022)

P Worthington

L Charlton (appointed 18 March 2022)

## **Daisy Computer Group Limited**

### **Directors' report for the year ended 31 March 2022 (continued)**

#### **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.

#### **Engagement with employees and other business relationships**

Regular feedback is sought from key suppliers. For further details on engagement with stakeholders see the Daisy Holdco Limited consolidated financial statements.

#### **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 he ought to have taken as a director in order to make himself 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.

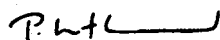
#### **Post balance sheet events**

Subsequent to the year end on 22 September 2022, a deal was signed with Asanti DataCentres Limited ('Asanti') for the sale and novation of certain freehold and leasehold data centre sites in Daisy Corporate Services Trading Limited and certain of its subsidiary undertakings. This deal included the profitable sale of one of the Company's freehold sites with net book value of approximately £1.9 million, which will be reflected in the Company's financial statements for the year ending 31 March 2023.

#### **Independent auditors**

PricewaterhouseCoopers LLP were re-appointed as the Company's auditors on 4 March 2022. A resolution to re-appoint PricewaterhouseCoopers LLP as the Company's auditors will be proposed at the next directors' meeting.

Approved by the board on 21 December 2022 and signed on its behalf by:



.....  
P Worthington  
Director

## **Daisy Computer Group Limited**

### **Statement of directors' responsibilities in respect of the financial statements**

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

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, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, 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.

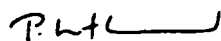
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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

#### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

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

Approved by the board on 21 December 2022 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 2022 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, including 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 2022; the Income statement 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**

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

## **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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2022 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 Statement of directors' responsibilities in respect of the financial statements, 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.

## **Daisy Computer Group Limited**

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

#### *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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries designed to manipulate the financial performance and/or position of the company and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- obtaining an understanding of the legal and regulatory framework applicable to the Company and how the Company is complying with that framework;
- discussions with management and general counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing minutes of meetings of those charged with governance, where available;
- reading any correspondence with regulatory authorities that has taken place in the period;
- reviewing internal audit reports;
- incorporating an element of unpredictability into our audit procedures;
- identifying and testing journal entries, including those with unusual account combinations relating to the principal fraud risks set out above; and
- challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *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.

## **Daisy Computer Group Limited**

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

#### **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 obtained 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.

*Jonathan Studholme*

Jonathan Studholme (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
United Kingdom

22 December 2022

## Daisy Computer Group Limited

### Income statement for the year ended 31 March 2022

	Note	Year ended 31 March 2022 £ 000	Year ended 31 March 2021 £ 000
Administrative expenses		(2,041)	(2,114)
<b>Operating loss</b>	3	(2,041)	(2,114)
Adjusted EBITDA *		(1,285)	(1,847)
Depreciation	8	(756)	(267)
<b>Operating loss</b>	3	(2,041)	(2,114)
<b>Loss before tax</b>		(2,041)	(2,114)
Tax on loss	7	-	-
<b>Loss for the financial year</b>		(2,041)	(2,114)

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

\*- operating loss before depreciation and net exceptional administrative expenses.

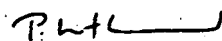
The Company has recognised no other comprehensive income or expenses in the current or prior year, other than those shown above in the income statement, therefore no separate statement of comprehensive income has been prepared.

# Daisy Computer Group Limited

## Balance sheet as at 31 March 2022

			Restated (see note 17)	Restated (see note 17)
	Note	2022 £ 000	2021 £ 000	2020 £ 000
<b>Fixed assets</b>				
Tangible assets	8	8,568	9,324	8,858
Investments	9	1,598	1,598	1,598
		<u>10,166</u>	<u>10,922</u>	<u>10,456</u>
<b>Current assets</b>				
<b>Debtors:</b> amounts falling due after more than one year		-	-	874
		-	-	874
<b>Creditors:</b> amounts falling due within one year	10	(5,624)	(3,777)	(2,804)
<b>Net current liabilities</b>		<u>(5,624)</u>	<u>(3,777)</u>	<u>(1,930)</u>
<b>Total assets less current liabilities</b>		4,542	7,145	8,526
<b>Provisions for liabilities</b>	11	(1,554)	(2,116)	(1,383)
<b>Net assets</b>		<u>2,988</u>	<u>5,029</u>	<u>7,143</u>
<b>Capital and reserves</b>				
Called up share capital	12	1	1	1
Pension reserve		(604)	(604)	(604)
Profit and loss account		3,591	5,632	7,746
<b>Total shareholders' funds</b>		<u>2,988</u>	<u>5,029</u>	<u>7,143</u>

The financial statements on pages 11 to 23 were approved by the board on 21 December 2022 and signed on its behalf by:



P Worthington  
Director

Company registration number: 03134540

The notes on pages 14 to 23 form an integral part of these financial statements.

# **Daisy Computer Group Limited**

## **Statement of changes in equity for the year ended 31 March 2022**

	<b>Share capital £ 000</b>	<b>Pension reserve £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 April 2020 (as originally stated)	1	(604)	9,129	8,526
Prior period adjustment	-	-	(1,383)	(1,383)
At 1 April 2020 (restated)	1	(604)	7,746	7,143
Loss for the year	-	-	(2,114)	(2,114)
Total comprehensive expense for the year	-	-	(2,114)	(2,114)
At 31 March 2021 (restated)	1	(604)	5,632	5,029
	<b>Share capital £ 000</b>	<b>Pension reserve £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 April 2021 (restated)	1	(604)	5,632	5,029
Loss for the year	-	-	(2,041)	(2,041)
Total comprehensive expense for the year	-	-	(2,041)	(2,041)
At 31 March 2022	1	(604)	3,591	2,988

## **Daisy Computer Group Limited**

### **Notes to the financial statements for the year ended 31 March 2022**

#### **1 Accounting policies**

##### **Basis of preparation**

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.

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 has taken advantage of the exemption (Companies Act 2006 s401) not to prepare group financial statements on the basis that the Company is included within the consolidated group financial statements of Daisy Holdco 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**

Daisy Group Limited and Daisy Midco Limited, both fellow group companies, have debt facilities in place which are secured through fixed and floating charges over the assets of the Company along with a number of other companies within the Daisy Holdco Limited Group (see note 12). After making adequate enquiries and receiving a confirmation letter from the directors of Daisy Holdco Limited, the directors have a reasonable expectation that the Daisy Holdco Limited Group has adequate resources to continue as a going concern for the foreseeable future.

In addition and with particular reference to the PIK facility drawn by the Daisy Holdco Limited Group through its subsidiary Daisy Midco Limited at the balance sheet date of £213.6 million (including accrued interest), which was used to fund the acquisition of the XLN Group, the directors of the Group have received a letter of support from the provider of this debt, which is also a significant shareholder in the Group, confirming that they will not call in this debt for a period of at least 12 months from the date of approval of these financial statements. Although this facility expired in June 2022 and is currently rolling on a monthly basis, the conversion of this debt into the Group's existing longer term PIK with an expiry date of 2027 has been agreed with the debt provider and is currently in the process of being formally documented.

The Company is in a net current liability position and is loss-making due to the rental charges it pays on property leases in its name, which are settled in cash on its behalf by its immediate parent company. The directors have received a letter from the directors of the ultimate parent undertaking, Daisy Holdco Limited, confirming that the ultimate parent undertaking will provide sufficient financial support to enable the Company to meet its liabilities as they fall due for at least the next 12 months. As such, the directors continue to adopt the going concern basis in preparing the financial statements.



## **Daisy Computer Group Limited**

### **Notes to the financial statements for the year ended 31 March 2022 (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 income statement.

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

Freehold property

50 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.

##### **Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

All financial assets and liabilities are initially measured at 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.

## **Daisy Computer Group Limited**

### **Notes to the financial statements for the year ended 31 March 2022 (continued)**

#### **1 Accounting policies (continued)**

##### **Financial instruments (continued)**

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.

##### **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.

##### **Provisions**

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

##### **Operating lease commitments**

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the lease term.

## **Daisy Computer Group Limited**

### **Notes to the financial statements for the year ended 31 March 2022 (continued)**

#### **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 with 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.

#### **3 Operating loss**

Operating loss is stated after charging:

		<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
	<b>Note</b>	<b>£ 000</b>	<b>£ 000</b>
Depreciation expense	8	756	267
Operating lease rentals		<u>1,847</u>	<u>1,847</u>

#### **4 Auditors' remuneration**

Audit fees for the current year amounting to £5,000 (2021: £5,000) were borne by another group entity with no recharge. There were no fees for non-audit services paid by the Company during the year (2021: £nil).

#### **5 Employee costs**

There were no contracted employees of the Company in the current or prior year.

#### **6 Directors' remuneration**

Any remuneration received by the directors was borne by another group company. The Company received a charge of £nil (2021: £nil) in respect of directors' remuneration during the year.

## Daisy Computer Group Limited

### Notes to the financial statements for the year ended 31 March 2022 (continued)

#### 7 Tax on loss

The tax for the year is higher than the standard rate of corporation tax in the UK (2021: higher than the standard rate of corporation tax in the UK) of 19% (2021: 19%). The differences are reconciled below:

	2022 £ 000	2021 £ 000
Loss before tax	(2,041)	(2,114)
Total tax at 19% (2021: 19%)	(388)	(402)
Expenses not deductible for tax purposes	37	51
Group relief surrendered	351	351
Total tax charge	-	-

The Government announced in the Budget on 3 March 2021 that the UK rate of corporation tax would rise to 25% from 1 April 2023. As the increase had been substantively enacted at the balance sheet date, the deferred tax asset in these financial statements has been recognised at 19% where the balance is expected to unwind in the next financial year with the remaining balances recognised at 25%.

## Daisy Computer Group Limited

### Notes to the financial statements for the year ended 31 March 2022 (continued)

#### 8 Tangible assets

	Freehold property £ 000
<b>Cost</b>	
At 1 April 2021 (Restated) and 31 March 2022	14,707
<b>Accumulated depreciation</b>	
At 1 April 2021	5,383
Charge for the year	756
At 31 March 2022	6,139
<b>Carrying amount</b>	
At 31 March 2022	8,568

#### 9 Investments

	Shares in subsidiary undertakings £ 000
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	9,500
<b>Accumulated impairment</b>	
At 1 April 2021 and 31 March 2022	7,902
<b>Net book amount</b>	
At 31 March 2022	1,598
At 31 March 2021	1,598

## Daisy Computer Group Limited

### Notes to the financial statements for the year ended 31 March 2022 (continued)

#### 9 Investments (continued)

At 31 March 2022, 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%	Property holding
Daisy IT Continuity and Resilience Services Limited	100%	Property holding

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 fair value of the underlying net assets.

#### 10 Creditors: amounts falling due within one year

	31 March 2022 £ 000	31 March 2021 £ 000
Amounts owed to group undertakings	5,432	3,227
Other creditors	180	538
Accruals and deferred income	12	12
	<u>5,624</u>	<u>3,777</u>

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

Other creditors represent deferred lease incentives.

#### 11 Provisions for liabilities

	Dilapidations provision £ 000
At 1 April 2021 (Restated)	2,116
Credit to the income statement	<u>(562)</u>
At 31 March 2022	<u>1,554</u>

The dilapidations provision relates to the obligation to reinstate certain properties to their former condition at the end of their lease. The leases are expected to end in September 2022.

## Daisy Computer Group Limited

### Notes to the financial statements for the year ended 31 March 2022 (continued)

#### 12 Called up share capital

##### Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.0001 each	<u>8,877,529</u>	<u>888</u>	<u>8,877,529</u>	<u>888</u>

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

#### 13 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 2022 was £424.0 million (2021: £416.0 million).

Another fellow group company, Daisy Midco Limited, has a payment in kind facility in place which is also secured through fixed and floating charges over the assets of the Group. The total indebtedness of this facility at 31 March 2022 was £434.3 million (2021: £195.3 million) including capitalised interest of £73.4 million (2021: £49.3 million).

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

#### 14 Commitments

##### Operating lease commitments

As at 31 March, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 March 2022	31 March 2021
	£ 000	£ 000
Within one year	1,102	2,205
Within two to five years	-	1,102
	<u>1,102</u>	<u>3,307</u>

## Daisy Computer Group Limited

### Notes to the financial statements for the year ended 31 March 2022 (continued)

#### 15 Related undertakings

The ultimate parent undertaking and controlling party is Daisy Holdco Limited, which is 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 9.

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

#### 16 Related party transactions

See note 6 for disclosure of the directors' remuneration. The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Daisy Holdco Limited group.

#### 17 Restatement of comparative information

A restatement of the prior period balance sheet has been made in these financial statements to transfer a dilapidations provision from fellow group company Daisy IT Continuity & Resilience Services Limited in relation to a property, whose lease is in the Company's name. The net impact of this restatement is a decrease in net assets of £1.4 million for the years ended 31 March 2021 and 31 March 2020.

	As reported 31 March 2021 £ 000	Adjustment £ 000	Restated 31 March 2021 £ 000
Tangible assets	8,591	733	9,324
Investments	1,598	-	1,598
	10,189	733	10,922
Creditors: amounts falling due within one year	(3,777)	-	(3,777)
<b>Net current liabilities</b>	<b>(3,777)</b>	<b>-</b>	<b>(3,777)</b>
<b>Total assets less current liabilities</b>	<b>6,412</b>	<b>733</b>	<b>7,145</b>
Provisions for liabilities	-	(2,116)	(2,116)
<b>Net assets</b>	<b>6,412</b>	<b>(1,383)</b>	<b>5,029</b>
<b>Capital and reserves</b>			
Called up share capital	1	-	1
Pension reserves	(604)	-	(604)
Profit and loss account	7,015	(1,383)	5,632
<b>Total shareholders' funds</b>	<b>6,412</b>	<b>(1,383)</b>	<b>5,029</b>



## Daisy Computer Group Limited

### Notes to the financial statements for the year ended 31 March 2022 (continued)

#### 17 Restatement of comparative information (continued)

	As reported 31 March 2020 £ 000	Adjustment £ 000	Restated 31 March 2020 £ 000
Tangible assets	8,858	-	8,858
Investments	1,598	-	1,598
	<u>10,456</u>	<u>-</u>	<u>10,456</u>
Debtors: amounts falling due after more than one year	874	-	874
	<u>874</u>	<u>-</u>	<u>874</u>
Creditors: amounts falling due within one year	(2,804)	-	(2,804)
<b>Net current liabilities</b>	<u>(1,930)</u>	<u>-</u>	<u>(1,930)</u>
<b>Total assets less current liabilities</b>	<u>8,526</u>	<u>-</u>	<u>8,526</u>
Provisions for liabilities	-	(1,383)	(1,383)
<b>Net assets</b>	<u>8,526</u>	<u>(1,383)</u>	<u>7,143</u>
<b>Capital and reserves</b>			
Called up share capital	1	-	1
Pension reserves	(604)	-	(604)
Profit and loss account	9,129	(1,383)	7,746
<b>Total shareholders' funds</b>	<u>8,526</u>	<u>(1,383)</u>	<u>7,143</u>

#### 18 Post balance sheet events

Subsequent to the year end on 22 September 2022, a deal was signed with Asanti DataCentres Limited ('Asanti') for the sale and novation of certain freehold and leasehold data centre sites in Daisy Corporate Services Trading Limited and certain of its subsidiary undertakings. This deal included the profitable sale of one of the Company's freehold sites with net book value of approximately £1.9 million, which will be reflected in the Company's financial statements for the year ending 31 March 2023.