

Company Registration No. 03941006 (England and Wales)

**SERVICEPOWER TECHNOLOGIES LTD**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2018**

**PAGES FOR FILING WITH REGISTRAR**



# **SERVICEPOWER TECHNOLOGIES LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

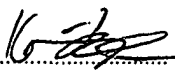
**SERVICEPOWER TECHNOLOGIES LTD****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Investments	5	3,061	3,465
<b>Current assets</b>		-	-
<b>Creditors: amounts falling due within one year</b>	7	(1,104)	(1,104)
<b>Net current liabilities</b>		(1,104)	(1,104)
<b>Total assets less current liabilities</b>		1,957	2,361
<b>Capital and reserves</b>			
Called up share capital	8	2,275	2,275
Share premium account		19,661	19,661
Equity reserve		401	401
Capital redemption reserve		8,034	8,034
Profit and loss reserves		(28,414)	(28,010)
<b>Total equity</b>		1,957	2,361

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 24/9/19 and are signed on its behalf by:

  
 K D Ma  
 Director

# SERVICEPOWER TECHNOLOGIES LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Share premium account	Equity reserve	Capital redemption reserve	Share based payment reserve	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2017</b>	2,275	19,661	401	8,034	746	(18,567)	12,550
<b>Year ended 31 December 2017:</b>							
Loss and total comprehensive income for the year	-	-	-	-	-	(10,241)	(10,241)
Credit to equity for equity settled share-based payments	-	-	-	-	52	-	52
Transfers	-	-	-	-	(798)	798	-
<b>Balance at 31 December 2017</b>	2,275	19,661	401	8,034	-	(28,010)	2,361
<b>Year ended 31 December 2018:</b>							
Loss and total comprehensive income for the year	-	-	-	-	-	(404)	(404)
<b>Balance at 31 December 2018</b>	2,275	19,661	401	8,034	-	(28,414)	1,957

# SERVICEPOWER TECHNOLOGIES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

ServicePower Technologies Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Petersgate House, 64 St Petersgate, Stockport, Cheshire, SK1 1HE.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Group accounts

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### Going concern

The Company relies on the continued support of its parent company Diversis Capital UK Limited and the ultimate parent company Diversis Capital LP. The directors have prepared the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of the support.

The directors of the Company have received a letter of support from the ultimate parent company confirming that it intends to provide such financial support as is necessary for the Company to meet its ongoing financial obligations as and when they fall due for at the least the next twelve months from the approval of these financial statements. As a result, and on the basis of the above disclosures, despite the current uncertain economic environment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore the directors of the Company consider it appropriate to prepare the financial statements on a going concern basis.

#### Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# SERVICEPOWER TECHNOLOGIES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (Continued)

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Classification of financial liabilities***

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.

##### ***Basic financial liabilities***

Basic financial liabilities, including amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### **Taxation**

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

# SERVICEPOWER TECHNOLOGIES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Carrying value of investments**

Management must consider the carrying value of investments in subsidiary companies based on the on going performance of said company. The nature of the judgement will impact whether or not there is deemed to be any indicators of impairment, which could materially impact the carrying value of those investments.

#### 3 Exceptional costs

	2018 £'000	2017 £'000
Inter-company balance impairment	-	7,261
Impairment of investment	404	2,966
	<u>404</u>	<u>10,227</u>

In the current period management have considered the carrying value of the investment in subsidiary undertakings in comparison to its carrying value and have determined an impairment charge is necessary.

In the prior period, following the acquisition of the company by Diversis Capital LLC management considered the position in relation to inter-company balances and as a result balances owed by Servicepower Business Solutions Limited were impaired. Furthermore, the investment held in the shares of Servicepower Business Solutions Limited were impaired to its recoverable amount.

# SERVICEPOWER TECHNOLOGIES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 4 Share-based payment transactions

Share options were in place in the comparative year and until the change in control following the acquisition of the Servicepower group by Diversis Capital LLC. The options were issued to employees of Servicepower Business Solutions Limited and Servicepower Incorporated and were options over the shares of Servicepower Technologies Limited when it was a listed company. The discretionary share option scheme was set up to take advantage of tax-favoured EMI options to UK employees and tax-favoured ISOs to US employees. Initial grants were made on 31 December 2008 at 5p to UK employees and to comply with US law, to US employees at the market price at the date of grant. All subsequent grants to both UK and US employees would be at the market price at the date of grant. All share options would be forfeited if the employee left the Servicepower group.

The options would not vest earlier than 2 years after the option was granted provided certain performance targets were met, or immediately upon a change of corporate control without the need to satisfy the performance targets.

Following the de-listing of ServicePower Technologies Limited on 7 February 2017, which occurred due to the acquisition by Diversis Capital UK Limited all outstanding options were forfeited. The option holders were offered a cash payment of 6p per option held by the acquiring company. The remaining share based payment charge was accelerated at this point and the share based payment reserve transferred to retained earnings.

	Number of share options		Weighted average exercise price	
	2018 Number	2017 Number	2018 £'000	2017 £'000
Outstanding at 1 January	-	12,675,000	-	5.37
Forfeited	-	(12,675,000)	-	5.37
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at 31 December	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Exercisable at 31 December	-	-	-	-
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# SERVICEPOWER TECHNOLOGIES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Fixed asset investments

	Notes	2018 £'000	2017 £'000
Investments in subsidiaries	6	3,061	3,465

#### Movements in fixed asset investments

	Shares in group undertakings £'000
<b>Cost or valuation</b>	
At 1 January 2018 & 31 December 2018	6,431
<b>Impairment</b>	
At 1 January 2018	2,966
Impairment (Note 2)	404
At 31 December 2018	3,370
<b>Carrying amount</b>	
At 31 December 2018	3,061
At 31 December 2017	3,465

### 6 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct Indirect
ServicePower Business Solutions Ltd	1.	Software development and distribution	Ordinary	100.00

#### Registered Office addresses:

- Petersgate House, 64 St Petersgate, Stockport, Cheshire, SK1 1HE

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £'000	Capital and Reserves £'000
ServicePower Business Solutions Ltd	(712)	(2,257)

# SERVICEPOWER TECHNOLOGIES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018 £'000	2017 £'000
Amounts due to group undertakings	1,104	1,104
	<u>1,104</u>	<u>1,104</u>

### 8 Called up share capital

	2018 £'000	2017 £'000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
227,560,827 Ordinary shares of 1p each	2,275	2,275
	<u>2,275</u>	<u>2,275</u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company

### 9 Parent company

ServicePower Technologies Limited is a wholly owned subsidiary of Diversis Capital UK Ltd, a company incorporated in England and Wales.

The ultimate parent entity is Diversis Capital LP, a limited partnership incorporated in the United States of America.

The smallest and largest group where consolidated accounts are produced is headed by Servicepower Incorporated. These accounts are not available to the public.

### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Jonathan Lowe.  
The auditor was RSM UK Audit LLP.