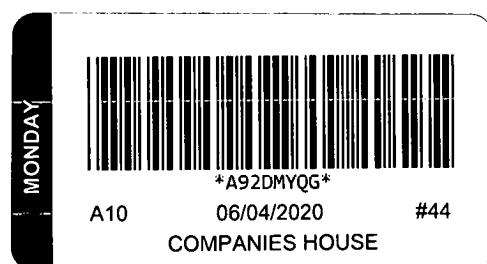


EGS Group Holdings Limited
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019



DIRECTORS	T J Sykes S McDonough R Hughes
COMPANY NUMBER	04006942
REGISTERED OFFICE	2 nd Floor Riverview Court Castle Gate Wetherby LS22 6LE
AUDITOR	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

The directors submit their report and the financial statements of EGS Group Holdings Limited for the year ended 31 July 2019.

PRINCIPAL ACTIVITIES

The company's principal activities are the delivery of solutions that automate procurement and invoice management processes in medium to large organisations. The company provides solutions to public and private sector customers.

BUSINESS REVIEW

The results for the period are detailed on page 6. On 1 August 2018, the trade and assets of EGS Group Limited were transferred to Proactis Ltd at book value. The business ceased trading at that date and subsequently the company has become dormant.

RESEARCH AND DEVELOPMENT

The amount of research expensed in the year was *£nil* (2018 *£nil*).

PROPOSED DIVIDEND AND TRANSFER TO RESERVES

A dividend of £402,340 has been paid in the year. The directors do not recommend a further payment of dividends (2018: £2,000,000). Retained losses of £98,255 (2018: profit £2,534,631) have been transferred to reserves.

On 12 April 2019, the issued share capital of the Company was reduced from £461,678.80 to £1 by the cancellation and extinguishment of 7,246,394 of the issued and fully paid ordinary B shares of £0.05 and 1,987,162 of the issued and fully paid ordinary D shares of £0.05 each, registered in the names of Proactis Limited.

POLITICAL AND CHARITABLE DONATIONS

The company made no charitable donations during the year ended 31 July 2019 (*year ended 31 July 2018: £nil*). The company made no political donations during the year ended 31 July 2019 (*year ended 31 July 2018: £nil*).

DIRECTORS

The directors that held office during the year and to the date of this report are as follows:

TJ Sykes

S McDonough

G H Wall (resigned 9 January 2019)

R Hughes (appointed 20 May 2019)

GOING CONCERN

Following the transfer of the trade and assets to Proactis Ltd, EGS Group Holdings Ltd has ceased to trade and therefore the directors no longer consider it appropriate to adopt the going concern basis in preparing the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board:



R Hughes
Director

31 March 2020

Riverview Court
Castle Gate
Wetherby
LS22 6LE

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EGS GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of EGS Group Holdings Limited ("the company") for the year ended 31 July 2019 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – non-going concern basis of preparation.

We draw your attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on a going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EGS GROUP HOLDINGS LIMITED (*CONTINUED*)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

1 April 2020

EGS Group Holdings Limited**Page 6****PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**

for the year ended 31 July 2019

	Notes	Year ended 31 July 2019 £	Year ended 31 July 2018 £
TURNOVER		-	976,173
Cost of sales		-	(951,869)
GROSS PROFIT		-	24,304
Other operating expenses	2	(122,351)	(8,396)
OPERATING (LOSS) / PROFIT		(122,351)	15,908
Income from shares in group undertakings		24,096	2,504,910
Interest receivable	3	-	712
Interest payable	4	-	(50)
(LOSS) / PROFIT BEFORE TAXATION	5	(98,255)	2,521,480
Taxation credit	7	-	13,151
(LOSS) / PROFIT AFTER TAXATION		(98,255)	2,534,631

There was no other comprehensive income for the period.

The notes on pages 9 to 13 form part of these financial statements.

EGS Group Holdings Limited

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BALANCE SHEET (Company Registration Number: 04006942)

As at 31 July 2019

	Notes	31 July 2019 £	31 July 2018 £
FIXED ASSETS			
Investments	8	-	-
		<hr/>	<hr/>
		-	-
CURRENT ASSETS			
Investments	8	-	122,351
Debtors	9	1	620,641
Cash at bank and in hand		-	37,311
		<hr/>	<hr/>
		1	780,303
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	-	(279,707)
		<hr/>	<hr/>
NET CURRENT ASSETS		1	500,596
		<hr/>	<hr/>
NET ASSETS		1	500,596
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	11	1	461,679
Share premium account		-	-
Profit and loss account		-	38,917
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		1	500,596
		<hr/>	<hr/>

The notes on pages 9 to 13 form part of these financial statements.

The financial statements on pages 6 to 13 were approved by the board of directors and authorised for issue on 31 March 2020 and are signed on its behalf by:



R Hughes
Director

EGS Group Holdings Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 July 2019

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	Called up Share Capital £	Share Premium £	Profit and Loss Account £	Total £
As at 31 July 2017	461,679	5,572,497	(6,068,211)	(34,035)
Capital reductions	-	(5,572,497)	5,572,497	-
Dividends paid	-	-	(2,000,000)	(2,000,000)
Result for the period	-	-	2,534,631	2,534,631
As at 31 July 2018	461,679	-	38,917	500,596
Capital reductions	(461,678)	-	461,678	-
Dividends paid	-	-	(402,340)	(402,340)
Loss for the period	-	-	(98,255)	(98,255)
As at 31 July 2019	1	-	-	1

The notes on pages 9 to 13 form part of these financial statements.

1. ACCOUNTING POLICIES

The Company is exempt by virtue of s400 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

BASIS OF PREPARATION

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Proactis Holdings Plc includes the Company in its consolidated financial statements. The consolidated financial statements of Proactis Holdings Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Riverview Court, Castle Gate, Wetherby, LS22 6LE. These financial statements present information about the Company as an individual undertaking and not about its group.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures :

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

TAXATION

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required.

GOING CONCERN

The entity has ceased trading within the financial year ended 31 July 2019 following the transfer of the trade and assets of the entity to another group entity on 1 August 2018.

On that basis, these accounts have not been prepared on the going concern basis. All non-current assets have been restated to fair value where necessary and included within current assets.

2. OTHER OPERATING EXPENSES

	2019	2018
	£	£
Administration expenses	122,351	8,396

3. INTEREST RECEIVABLE

	2019	2018
	£	£
Other interest	-	712

4. INTEREST PAYABLE

	2019	2018
	£	£
Other interest payable	-	50

5. (LOSS)/PROFIT BEFORE TAXATION

	2019	2018
	£	£
(Loss)/profit before taxation is stated after charging:		

Operating lease rentals:

Land and buildings	-	203,511
Impairment on investment (note 8)	122,351	-

Note that most of the costs relating to EGS Group Holdings Limited and EGS Group Limited are borne by EGS Group Limited. An apportionment of the costs is recharged to EGS Group Holdings Limited within the administration expenses.

The property lease rentals included for 2018 reflect the costs to the end of the lease as it has been announced that Proactis will leave the property. The lease has been transferred to Proactis Limited.

6. EMPLOYEES

The Company does not have any employees. Services are provided to the Company by staff employed by the Company's subsidiary undertaking, EGS Group Limited.

None of the company's directors were remunerated by the company during the year ended 31 July 2019 (2018: £Nil) and no retirement benefits are accruing to directors under money purchase schemes (2018: £Nil). The directors are remunerated by the company's parent undertaking, Proactis Holdings PLC. The emoluments of the directors are disclosed within and borne by the consolidated financial statements of Proactis Holdings PLC.

7. TAXATION

	2019 £	2018 £
Current tax:		
UK Corporation tax on profit for the period	-	-
Adjustment in respect of prior periods	-	(13,151)
	<u>-</u>	<u>(13,151)</u>
Tax on profit	<u>-</u>	<u>(13,151)</u>

Reconciliation of effective tax rate

The tax charge assessed for the period is higher (2018: lower) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
(Loss) / profit after tax	(98,255)	2,534,631
Total tax credit	-	(13,151)
(Loss) / profit before tax	<u>(98,255)</u>	<u>2,521,480</u>
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	(18,669)	479,081
Effects of:		
Disallowable expenses	23,247	-
Income not taxable	(4,578)	(476,227)
Group tax losses utilised	-	(2,854)
Prior year adjustment	-	(13,151)
	<u>-</u>	<u>(13,151)</u>
Total tax credit for the period	<u>-</u>	<u>(13,151)</u>

The rate (currently 19%) will reduce to 17% from 1 April 2020.

The reduction in tax rates was included in the 2015-2016 Finance Act which was substantively enacted for the purposes of IFRS and UK GAAP (i.e., having completed its Commons stages) on 26 October 2015.

The Budget on 16 March 2016 announced further changes in the main UK corporation tax rate. The effective rate of 18% from 1 April 2020 was to be further reduced to 17%, and this was substantively enacted (ie having passed its Commons Stages) on 6 September 2016. This will reduce the future tax charge accordingly.

8. INVESTMENTS

Investment in
subsidiary
undertakings
£

Cost:	
At 31 July 2018 and 31 July 2019	1,527,393
Provision for impairment:	
At 31 July 2018	(1,405,042)
Additional impairment	(122,351)
At 31 July 2019	(1,527,393)
Net book value:	
At 31 July 2019	-
Net book value:	
At 31 July 2018	122,351

Holdings of more than 20%

The company holds more than 20% of the share capital of the following company which was a subsidiary company:

Company	Country of incorporation	Shares held		Nature of business
		Class	%	
EGS Group Limited	United Kingdom	Ordinary	100	e-procurement solutions

EGS Group Limited is a direct subsidiary of the Company.

The registered office of all the subsidiary is Riverview Court, Castle Gate, Wetherby, LS22 6LE.

The investment has been impaired as EGS Group Limited has ceased trading and no longer has assets to support the carrying value of the investment.

9. DEBTORS

	31 July 2019	31 July 2018
	£	£
Due within one year:		
Trade debtors	-	132,831
Prepayments and contract assets	-	23,943
Deferred contract costs	-	500
Amounts due from fellow subsidiary undertakings	1	454,900
Corporation tax	-	8,467
	1	620,641

Amounts owed by other group companies are interest free and repayable on demand

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2019	31 July 2018
	£	£
Other taxation and social security costs	-	29,918
Accruals and contract liabilities	-	249,789
	-----	-----
	-	279,707
	=====	=====

Amounts owed to other group companies are interest free and repayable on demand

11. SHARE CAPITAL

	31 July 2019	31 July 2018
	£	£
Allotted, issued and fully paid:		
10 (2018: 7,246,404) Ordinary B shares of 5p each	0.50	362,320
10 (2018: 1,987,172) Ordinary D shares of 5p each	0.50	99,359
	-----	-----
	1	461,679
	=====	=====

The classes of shares rank pari passu in all respects. When shares are acquired by current shareholders, they are reclassified, under the Articles of Association, to the same class of shares as those already held. On 12 April 2019, the issued share capital of the Company was reduced from £461,678.80 to £1 by the cancellation and extinguishment of 7,246,394 of the issued and fully paid ordinary B shares of £0.05 and 1,987,162 of the issued and fully paid ordinary D shares of £0.05 each, registered in the names of Proactis Limited.

12. COMMITMENTS UNDER OPERATING LEASES

The company's total future operating lease commitments at the balance sheet date are as follows:

	31 July 2019	31 July 2018
	£	£
Land and buildings		
- Expiring with 1 year	-	81,650
- Expiring between 1 and 2 years	-	54,433
- Expiring between 2 and 5 years	-	-
	-----	-----
	-	136,083
	=====	=====

The property lease rentals included in the profit and loss account for 2018 reflect the costs to the end of the lease as it has been announced that Proactis will leave the property. During the year ended 31 July 2019, the lease was transferred to Proactis Limited.

13. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Proactis Holdings PLC, a company registered in England and Wales. Copies of the report and accounts of that company are available from the registered office at 2nd Floor, Riverview Court, Castle Gate, Wetherby LS22 6LE.

14. POST BALANCE SHEET EVENTS

The Directors acknowledge the existence of the current outbreak of COVID-19 and its potential to adversely impact the economy. The Directors have evaluated all the transactions and events after 31 July 2019 through to 31 March 2020 and no additional items require disclosure or adjustment to the financial statements.