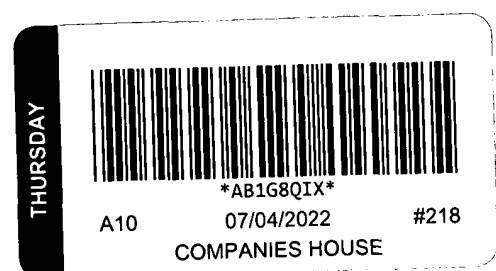


Company Registration No. 04234499

SSP LIMITED

Annual Report and Financial Statements

For the year ended 30 September 2020



SSP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

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SSP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Miller
M Dufton
B Beattie

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HX3 5AX

BANKERS

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LS1 5WU

SOLICITORS

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Trinity Court
16 John Dalton Street
Manchester
M60 8HS

AUDITOR

Deloitte LLP
Statutory Auditor
1 City Square
Leeds
LS1 2AL

SSP LIMITED

STRATEGIC REPORT

We present our annual report and the audited financial statements for the year ended 30 September 2020.

During the prior period the Company made revisions to its accounting reference date and as a result the current 12 month period results to 30 September 2020 are not directly comparable to the prior 18 month period. Directors note that the registered accounting reference date is 29 September, although these financial statements are drawn up to 30 September 2020 as allowed under the provisions of the Companies Act.

PRINCIPAL ACTIVITY

The Company is a major supplier of specialist software solutions and electronic transaction services to brokers and insurers in the General Insurance industry.

OWNERSHIP AND FINANCING

At 30 September 2020 the ultimate parent undertaking of the Company was SSP Topco Limited, a Company incorporated in the United Kingdom. The 'Group' here on in is defined as the group of companies 100% owned by SSP Topco Limited. SSP Topco Limited is owned and controlled by Lloyds Development Capital, Scottish Equity Partners and management. Following the sale of its immediate subsidiary, SSP Midco 2 Limited, by SSP Topco Limited on 17 February 2021, the Company is now ultimately owned by Constellation Software Inc., a company incorporated in Canada and listed on the Toronto Stock Exchange.

STRATEGY AND OBJECTIVES

The company is committed to the following key long-term objectives:

- To supply market leading broker and insurer software solutions on an international basis, supplying customers in both existing and new territories;
- To provide class leading capability across commercial and personal lines for brokers;
- To establish IQH as the market leading product in risk selection and pricing for both insurer and broker channels;
- To continue to develop our offering, seeking opportunities for enhancement and innovation; and
- To complete the extensive overhaul of our data centres, including through stable and easily scalable Cloud-based infrastructures.

STRATEGIC REVIEW AND KEY PERFORMANCE INDICATORS

Revenue for the year to 30 September 2020 was £44.7m compared to £86.3m for the 18 months to 30 September 2019. An operating loss of £1.3m was made in year to 30 September 2020 compared to a loss of £0.2m in the prior period. Shareholder's funds increased by £7.4m to 104.9m as a result of the profit after tax for the year to 30 September 2020 of £7.3m (18 months ended 30 September 2019: profit £10.8m). It is noted that revenues decreased both against the 18 month comparator period and on an annualised basis. This reflects reductions in project activity against a backdrop of Brexit and then Covid-19, some one-off benefits in the 2019 period not repeated in 2020, customer churn in recurring revenues and some specific impact on transactional revenues during Covid-19, particularly during lockdown periods in 2020.

In addition to the performance measures noted above, the board monitors a number of key performance indicators, including recurring revenue and revenue per head. During the year to September 2020, the company generated recurring revenues of 84% of total revenues (2019: 74%) and annual revenue per head of £113,000 (2019: £123,000). Revenue per head is adversely impacted by a significant reduction in professional services revenue.

The Company continues to invest in its product set with R&D expenditure of £7.1m in the year to September 2020 (18 months ended 30 September 2019: £11.7m) including £6.3m (2019: £10.9m) of development costs capitalised in line with IAS 38. The directors regard investment in this area as a prerequisite for success in the medium to long-term future.

SSP LIMITED

STRATEGIC REPORT (continued)

FUTURE PROSPECTS

As detailed in the going concern section of the Directors' Report, the Group is very pleased to report that on 17 February 2021 it completed the sale of the entire share capital of SSP Midco 2 Limited and its subsidiary undertakings to Volaris Group UK Holdco Limited, a wholly owned subsidiary of Constellation Software Inc. The new structure has significantly reduced the debt and interest burden on the Group, and will allow SSP to benefit from Constellation's extensive expertise of software businesses.

The Covid-19 pandemic has resulted in the SSP Group adopting remote working across its sites. This has had little impact on the efficiency and effectiveness of the workforce or on the service provided by SSP Group to its customer base. The Directors would like to express their thanks to all SSP staff for their commitment and understanding during this difficult period. We have seen however that transaction levels across the whole market have reduced and that some capital projects have been deferred. The impact of Covid-19 in these areas has been incorporated into the Group forecasts used for going concern purposes, as well as being noted in the Strategic Report above.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks to which the business is exposed are summarised as follows:

- Economic risk: general economic environment influencing the willingness of customers to commit to investment in IT solutions. In mitigation, the SSP SaaS platforms will offer these customers a cost-effective alternative to high capital cost projects;
- Industry risk: failure to anticipate or react to changes in the industry model such as the consolidation of major customers and insurers moving pricing and rating onto their own systems. This is mitigated by constant engagement with the wider insurance sector through industry events and research and the ongoing development of SSP products to ensure that the Company provides up to date and market leading capabilities to its customers;
- Industry risk: competitors developing their products and targeting market share, mitigated by a clear and comprehensive product development roadmap;
- Finance risk: breach of banking covenants. Mitigated by removal of banking covenants following completion of the sale of the Group;
- Finance risk: the availability of sufficient working capital to allow SSP to continue its investment and restructuring programme; mitigated by joining a Group with significant financial resources and capacity;
- Finance risk: credit risk attached to trade receivables, mitigated by credit checks on new customers. Management considers the balance sheet value of trade receivables reflects the recoverable amount;
- Capability risk: failure to retain key skilled resources in an increasingly competitive market and also in the context of the uncertainty created during the post-acquisition restructuring programme. This could lead to reputation damage through compromise on quality and the timeliness of delivery. This is mitigated by the investment in HR initiatives, timely and honest communications, incentive plans and the development of the working environment; and
- Infrastructure risk: damage to revenue and reputation through service failure or a security breach. In mitigation, SSP has invested heavily in its managed service infrastructure to ensure the hosting environment, data security procedures and disaster recovery plan are as robust as possible. Infrastructure includes both established data centres and the development of Cloud-based environments.

SSP LIMITED

STRATEGIC REPORT (continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks including price, credit, interest rate and liquidity risk. The use of financial derivatives to manage these risks is approved by the Board of Directors. The Company does not use derivative financial instruments for speculative purposes.

Cash flow / interest rate risk

The Company's activities expose it to the financial risks of changes in interest rates. The Group has historically used interest rate contracts to hedge these exposures where appropriate and continues to monitor this risk.

Credit Risk

The Company's principal financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

The Group held cash of £6.5m at 30 September 2020 (30 September 2019: £4.0m) with the £6.0m revolving credit facility fully drawn at both dates. There is a risk that there will be insufficient cash to fund ongoing operations and future developments, mitigated by an ongoing focus on working capital management and opportunities to access further Group resources if necessary.

Brexit risk

The Group continues to monitor Brexit following the signing of the Withdrawal Agreement. To date there has been no significant impact on the Group's operations other than that driven by the downturn in the general economic environment.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172 (1) of the Companies act 2006

As noted above, the Board of Directors in place at the year end resigned on completion of the sale of SSP Group to Volaris Group UK Holdco Limited, a wholly owned subsidiary of Constellation Software Inc, on 17 February 2021 and were replaced by directors from within Constellation on this date. As the SSP Group begins its integration into the broader Group, the current directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to employees of SSP.

The following paragraphs summarise how the Directors fulfil their duties:

Consequences of long term decisions / risk management

Under the new structure, longer term decisions can be made, consistent with Constellation Software Inc's, approach of running businesses for long term gain.

We operate a comprehensive risk management system to ensure we effectively identify, evaluate, manage and mitigate the risks that the business faces. Details of our principal risks and uncertainties are set out in page 3.

Interest of Company employees

SSP is fully committed to its employees and recognise they are critical to the specialist services that are provided to its customers. Staff are actively encouraged to access the comprehensive training opportunities, both technical and for personal development, provided by the dedicated training team. Further details on employee consultation and policies with regard to disabled employees are set out below. Additional measures have been put in place to support staff whilst working from home during the Covid pandemic. This has included enhanced medical support and flexible working measures.

SSP LIMITED

STRATEGIC REPORT (continued)

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172 (1) of the Companies act 2006 (continued)

Fostering business relationships with suppliers and customers

To achieve its long term objectives, the Group needs to develop and maintain strong relationships with its customers and suppliers. Relationships with customers and suppliers are developed through a partnering approach and are highly valued. The Group recognises that strong relationships are an essential part of understanding customer and supplier requirements as they develop over time, and delivering ongoing, outstanding levels of service. The Group ethos is “to place the customer at the heart of everything we do”.

Impact of operations on the environment

SSP recognises that the company and its employees are all responsible for the environment around us. The Group seeks to adopt a responsible approach to business activities, including travel, as part of broader corporate social responsibilities.

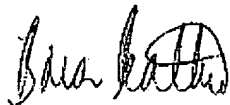
Maintaining a reputation for high standards of business conduct

The Company has detailed policies and mandatory annual training for all employees with regard to data protection, information security, anti-bribery, modern slavery, equality and diversity and corporate responsibility.

Acting fairly between members of the Company

Under the new ownership structure, the interest of shareholders will be governed by the mutual directors and the comprehensive reporting and review requirements of all companies with the Constellation Group.

Approved by the Board of Directors and signed on behalf of the Board.



B Beattie

Director
4 April 2022

SSP LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company together with the financial statements and auditor's report for the year ended 30 September 2020.

The Company's principal activities, principal risks and uncertainties and future prospects are presented in the Strategic Report. In accordance with section 414C(11) the Company has elected to present information in respect of principal activities, principal risks and uncertainties, future prospects and research and development activities in the Strategic Report rather than the Directors' Report.

DIRECTORS

The directors who served during the year and subsequently were as follows, except as noted:

S Lathrope (resigned 17 February 2021)
J Sadler (resigned 17 February 2021)
C Pennington (resigned 17 February 2021)
M Miller (appointed 17 February 2021)
M Dufton (appointed 17 February 2021)
B Beattie (appointed 17 February 2021)

RESULTS AND DIVIDENDS

The profit for the year ended 30 September 2020 after taxation amounted to £7.3m (18 months to 30 September 2019: profit £10.8m). The directors do not recommend the payment of a dividend either in the year or subsequently (2019: £nil).

Key events after the balance sheet date are shown in note 23.

DISABLED EMPLOYEES

SSP genuinely believes that diversity and inclusion makes for a stronger team. As such, applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of employees becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. The Group partners with a number of external organisations to enhance the working environment for all employees, as well as an action plan that is regularly reviewed to ensure ongoing improvement.

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and strives for open communication on matters affecting them as employees and on the various factors affecting the performance of the Group. Employees have a voice through formal and informal meetings, monthly business updates, bi-monthly engagement surveys and Company newsletters. Employee representatives are consulted on a wide range of matters affecting their current and future interests.

GOING CONCERN

It is the directors' responsibility to assess whether the going concern basis of accounting is appropriate in the financial statements for both the parent company and the group. The going concern basis should be adopted unless there is an intention to liquidate the entity or to cease trading or there is no realistic alternative but to do so.

If the basis of going concern is not deemed appropriate, there is a need to consider the accounting treatment of the Group's and Company's assets and whether there is a need for impairment.

In assessing going concern, the directors have considered the performance of the group, the facilities available to it, and its future prospects.

In the year ended 30 September 2020, the Group delivered Adjusted EBITDA of £11.8m (18 months to 30 September 2019: £29.6m). Revenues for the year to 30 September 2020 amounted to £60.8m (18 months ended 30 September 2019: £111.8m). The Adjusted EBITDA margin achieved in the period amounted to 19.4% (2019: 26.5%) of revenues.

The Group reported an after tax loss for the year to 30 September 2020 of £34.6m (18 months ended 30 September 2019: £114.4m), after deduction of £14.2m (2019: £18.8m) in relation to accrued interest on loans due to SSP Topco Limited and an impairment charge of £nil (2019: £67.2m) against the carrying value of goodwill (see note 12 to the consolidated financial statements). The Group had net current liabilities of £329.3m and net liabilities of £215.1m at 30 September 2020 (30 September 2019: £168.0m and £180.2m).

SSP LIMITED

DIRECTORS' REPORT (continued)

GOING CONCERN (continued)

The Company reported net current liabilities at 30 September 2020 of £82.3m (30 September 2019: £75.2m).

During the year, the Group entered into discussions with interested parties, resulting in the exchange of contracts on 11 December 2021 for the sale of the entire share capital of SSP Midco 2 Limited and its subsidiary undertakings by SSP Topco Limited to Volaris Group UK Holdco Limited, a wholly owned subsidiary of Constellation Software Inc. This transaction completed on 17 February 2021.

Constellation Software Inc is a publicly traded group of vertical market software companies generating revenues of USD 5,106 million and free cash flows available to shareholders of USD 883 million in the year to 31 December 2021 and held cash of USD 763 million at that date. Constellation Software Inc operates a "buy and hold" philosophy, with the intention of running businesses as going concerns over the long term.

Forecasts covering the period to March 2023, were prepared after the completion of the sale and reflect the new group structure and reduced debt burden as well as restructuring actions initiated post completion by the new Board. Constellation Software Inc has provided a letter confirming it will provide financial support for the Group to meet its contractual obligations entered into in the ordinary course of business for a period of least 12 months from the date of signing these financial statements.

These forecasts indicate that this reduced interest burden and the support of Constellation Software Inc, will allow the Group, now headed by SSP Midco 2 Limited, to pay its liabilities as they fall due for at least 18 months from the date of signing of these financial statements.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY

	30 Sept 2020
UK energy consumed:	kWh
Electricity use	827,740
Gas combustion	18,528
Fuel consumption	1,658,514
UK emissions from:	Tonnes CO2
Scope 1(Direct)	107
Scope 2 (Energy Indirect)	211
Company's chosen Intensity Measurement	Ratio
Total tonnes CO2 emissions per £m Revenue	7.1

In the second half of the year energy usage was significantly reduced as COVID-19 related lockdowns reduced office capacity and staff travel.

Consumption data was determined by using invoices from supplies and estimating fuel usage based on expenditure.

Emissions were determined by applying the UK government conversion factors to the energy consumption values and aggregating the total.

SSP LIMITED

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the date of approval of this report confirm that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITOR

As a consequence of the change in ownership, Deloitte LLP will resign as auditors following the completion of these financial statements.

Approved by the Board of Directors and signed on behalf of the Board.



B Beattie
Director
4 April 2022

SSP 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 period. 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), 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of SSP Limited ('the Company'):

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Other information

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

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

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSP LIMITED (continued)

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

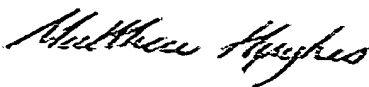
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters

Use of our report

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.



Matthew Hughes ACA Bsc (Hons) (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
4 April 2022

SSP LIMITED

INCOME STATEMENT

For the year ended 30 September 2020

	Notes	Year to 30 Sept 2020 £'000	18 months to 30 Sept 2019 (as restated – note 15 £'000)
REVENUE	4	44,661	86,328
Cost of sales		(27,314)	(50,446)
Gross Profit		17,347	35,882
Distribution Costs	6	(1,700)	(2,913)
Administrative expenses	6	(17,082)	(33,183)
Government grant income	5	144	-
OPERATING LOSS	7	(1,291)	(214)
Income from shares in group undertakings		1,610	3,643
Interest receivable	8	9,196	12,415
Finance costs	9	(2,191)	(3,152)
PROFIT BEFORE TAXATION		7,324	12,692
Tax charge	10	(3)	(1,885)
PROFIT FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>7,321</u>	<u>10,807</u>

Revenue and operating profit are all derived from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

	Year to 30 Sept 2020 £'000	18 months to 30 Sept 2019 (as restated – note 15) £'000
Items that may subsequently be reclassified to the Income Statement		
Exchange differences on translation of foreign operations	55	13
	55	13
Profit for the period	7,321	10,807
Total comprehensive income	<u>7,376</u>	<u>10,820</u>

The notes on the proceeding pages form an integral part of these financial statements.

SSP LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2020

	Share capital £'000	Share Premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000
At 1 April 2018	-	23,171	236	62,840	86,247
Impact of change in accounting policies:					
IFRS 9	-	-	-	(44)	(44)
IFRS 15	-	-	-	483	483
Adjusted balance at 1 April 2018	-	23,171	236	63,279	86,686
Profit for the period (as restated - note 15)	-	-	-	10,807	10,807
Other comprehensive income	-	-	-	13	13
As 30 September 2019	-	23,171	236	74,099	97,506
Profit for the year	-	-	-	7,321	7,321
Other comprehensive income	-	-	-	55	55
As 30 September 2020	-	23,171	236	81,475	104,882

The notes on the proceeding pages form an integral part of these financial statements.

SSP LIMITED
Registered No: 04234499

BALANCE SHEET AS AT 30 September 2020

	Note	30 Sept 2020 £'000	30 Sept 2019 (as restated – note 15) £'000
NON-CURRENT ASSETS			
Intangible assets	11	38,558	37,410
Property, plant and equipment	12	3,086	4,687
Right of use assets	12	3,912	5,591
Investments in subsidiaries	13	-	-
Trade and other receivables	15	145,548	136,206
		<u>191,104</u>	<u>183,894</u>
CURRENT ASSETS			
Inventories	14	-	1
Trade and other receivables	15	6,936	9,674
Contract assets	4	3,327	6,324
Cash and bank balances		2,972	2,374
		<u>13,235</u>	<u>18,373</u>
TOTAL ASSETS		<u>204,339</u>	<u>202,267</u>
CURRENT LIABILITIES: Amounts falling due within one year			
Trade and other payables	16	(84,646)	(87,975)
Contract liabilities	4	(3,168)	(3,565)
Current tax liabilities		(209)	(257)
Borrowings	17	(6,146)	-
Lease liabilities	18	(1,325)	(1,824)
		<u>(95,494)</u>	<u>(93,621)</u>
NET CURRENT LIABILITIES		<u>(82,259)</u>	<u>(75,248)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>108,845</u>	<u>108,646</u>
NON-CURRENT LIABILITIES: Amounts falling due after more than one year			
Borrowings	17	-	(6,000)
Lease liabilities	18	(3,472)	(4,677)
Provisions	19	(491)	(463)
		<u>(3,963)</u>	<u>(11,140)</u>
TOTAL LIABILITIES		<u>(99,457)</u>	<u>(104,761)</u>
NET ASSETS		<u>104,882</u>	<u>97,506</u>
EQUITY			
Called up share capital	20	-	-
Share premium account		23,171	23,171
Other reserves		236	236
Retained earnings		81,475	74,099
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		<u>104,882</u>	<u>97,506</u>

SSP LIMITED
Registered No: 04234499

BALANCE SHEET AS AT 30 September 2020

These financial statements were approved by the Board of Directors and authorised for issue on 4 April 2022.
Signed on behalf of the Board of Directors.

A handwritten signature in black ink, appearing to read 'B Beattie', with a stylized flourish at the end.

B Beattie
Director

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

1. GENERAL INFORMATION

SSP Limited (the Company) is a private company limited by shares and is incorporated in England, United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. This is also the currency that these financial statements are presented in.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of SSP Midco 2 Limited. The group financial statements of SSP Midco 2 Limited are available to the public and can be obtained as set out in note 22.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to the company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

2. ACCOUNTING POLICIES

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements are prepared under the historical cost convention.

The principal accounting policies are summarised below.

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019.

IFRS 16 Leases;

IFRIC 22 *Foreign Currency Transactions and Advanced Consideration*; and

IFRIC 23 *Uncertainty over Income Tax Treatments*

IFRS 16 Leases was early adopted in the prior period. The impact of the adoption of IFRS 16 in the prior period is set out in those financial statements.

The adoption of the other standards and interpretations above has not had any material impact on the financial position of the Company.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment.

Depreciation is provided on a straight line basis over the estimated useful lives of the assets concerned.

The useful lives used to calculate depreciation are as follows:

Owned assets - plant and equipment	3 – 10 years
Right of use assets	Over term of lease

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs include those incurred in bringing each product to its present location and condition. Net realisable value is based on an estimate of selling price less further costs expected to be incurred to completion and disposal and stock is accounted for on a first in first out ("FIFO") basis.

Goodwill and other intangible assets

Goodwill representing the excess of the fair value of the purchase consideration over the fair value of net assets acquired is capitalised and assessed annually for impairment. Company law requires goodwill to be written off over a finite period. Non-amortisation of goodwill, in accordance with International Financial Reporting Standards, is a departure from the requirements of company law for the overriding purpose of giving a true and fair view. If this departure from company law had not been made, the profit for the financial year would have been reduced by amortisation of goodwill. However, the amount of amortisation cannot reasonably be quantified other than by reference to an arbitrary period of amortisation.

Licences purchased are capitalised at cost and amortised over their estimated useful lives of 3-6 years.

Third party software licenses are measured initially at purchase cost and amortised on a straight line basis over their estimated useful lives. The average useful economic life of third party software licences is 3 years.

Impairment of assets

The Company assesses annually whether assets have suffered any impairment. Impairment testing requires assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows using cash flow projections which have been discounted at an appropriate rate.

Internal software research and development expenditure

Expenditure on software development is capitalised only if the expenditure relates to a separately identifiable asset, it is probable that incremental future economic benefits will flow, the technical and commercial feasibility of the asset has been established, and the costs incurred in developing it can be measured reliably. Amortisation of capitalised software development expenditure is not recognised until the Company is able to commercially exploit the related product.

Development costs are amortised over 10 years.

All other research and development costs not satisfying the criteria are written off as incurred.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

Current tax (continued)

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Leases

The Company has applied IFRS 16 using the modified retrospective approach from 1 April 2018.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset. The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

Right of use assets are included in property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease

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NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

Leases (continued)

payments include fixed and variable payments, amount expected to be paid under a residual value guarantee and lease payments in an optional renewal period if the Company is reasonably certain to exercise that option.

Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications or changes in estimates around residual value guarantees or renewal options. When the lease liability is remeasured, a corresponding adjustment is made to the right of use asset, or is recorded in profit and loss if the carrying value of the right of use asset has been reduced to zero.

Lease liabilities are set out in note 18.

Pension costs

The Company operates defined contribution pension arrangements. All pension charges were expensed to the profit and loss account during the period as contributions were payable. As at 30 September 2020 contributions of £193,000 (2019: £203,000) due in respect of the current reporting period had not been paid to the scheme.

Revenue

The Company derives its revenues principally from the sale of software licenses with support services (Support revenue), business and technical consultancy services (Professional services revenue) and fees for transactions processed on behalf of its customers (Transaction Revenue).

Revenue in respect of goods and services supplied in the normal course of business is measured at the fair value of consideration received or receivable, net of discounts, VAT and other sales related taxes.

The Company has applied IFRS 15 using the modified retrospective approach from 1 April 2018.

The Company recognises revenue to depict the transfer of promised good and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the 5 step approach under IFRS 15 described above is applied to each individual contract.

Software licence and support contracts

It is not Company policy to sell licence and support separately although perpetual licences are sometimes sold where unsupported access on legacy systems is required.

Licence and support revenue is recognised as a single performance obligation over the term of the contract on a right to use basis.

Where the contract also includes hosting services, these are recognised on a right to use basis.

Unsupported perpetual licences are recognised on a right to access basis from when the licence is made available.

Where the contract includes initial or set up fees these fees are recognised over the contract term where the customer does not place any value on this set up activity in isolation of continuing services.

Where contracts include provisions for service credits, the transaction price is amended to reflect any history of regular credits arising.

Professional services contracts

Professional services are recognised as distinct from licence and support.

Where the Company has an enforceable right to payment for performance, revenue is recognised on a stage of completion basis.

Expected losses on contracts are recognised immediately.

Contract modifications- settlement agreements

Where there are no further obligations on the Company, revenue is recognised on the earlier of signature of the settlement agreement or when receipt of payments is highly probable. Where there are ongoing Company obligations the provisions of IFRS 15 contract modifications are applied.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

Revenue (continued)

Significant financial component in contracts

Where there is a significant financial component, revenue is recognised at an amount that reflects the price the customer would have paid in cash when or as the service was transferred. A practical expedient is applied where the finance period is less than one year.

Transaction revenue

Transaction revenue is recognised as transactions are created and the Company has an enforceable right to payment.

Practical expedient

The Company applies the practical expedient allowed under IFRS 15 and does not disclose information about remaining performance obligations where the original expected duration is one year or less.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Going concern

It is the directors' responsibility to assess whether the going concern basis of accounting is appropriate in the financial statements for both the parent company and the group. The going concern basis should be adopted unless there is an intention to liquidate the entity or to cease trading or there is no realistic alternative but to do so.

If the basis of going concern is not deemed appropriate, there is a need to consider the accounting treatment of the Group's and Company's assets and whether there is a need for impairment.

In assessing going concern, the directors have considered the performance of the group, the facilities available to it, and its future prospects.

In the year ended 30 September 2020 the Group delivered Adjusted EBITDA of £11.8m (18 months to 30 September 2019: £29.6m). Revenues for the year to 30 September 2020 amounted to £60.8m (18 months ended 30 September 2019: £111.8m). The Adjusted EBITDA margin achieved in the period amounted to 19.4% (2019: 26.5%) of revenues.

The Group reported an after tax loss for the year to 30 September 2020 of £34.6m (18 months ended 30 September 2019: £114.4m), after deduction of £14.2m (2019: £18.8m) in relation to accrued interest on loans due to SSP Topco Limited and an impairment charge of £nil (2019: £67.2m) against the carrying value of goodwill (see note 12 to the consolidated financial statements). The Group had net current liabilities of £329.3m and net liabilities of £215.1m at 30 September 2020 (30 September 2019: £168.0m and £180.2m).

The Company reported net current liabilities at 30 September 2020 of £82.3m (30 September 2019: £75.2m).

During the year, the Group entered into discussions with interested parties, resulting in the exchange of contracts on 11 December 2021 for the sale of the entire share capital of SSP Midco 2 Limited and its subsidiary undertakings by SSP Topco Limited to Volaris Group UK Holdco Limited, a wholly owned subsidiary of Constellation Software Inc. This transaction completed on 17 February 2021.

Constellation Software Inc is a publicly traded group of vertical market software companies generating revenues of USD 5,106 million and free cash flows available to shareholders of USD 883 million in the year to 31 December 2021 and held cash of USD 763 million at that date. Constellation Software Inc operates a "buy and hold" philosophy, with the intention of running businesses as going concerns over the long term.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

Going concern (continued)

Forecasts covering the period to March 2023, were prepared after the completion of the sale and reflect the new group structure and reduced debt burden as well as restructuring actions initiated post completion by the new Board. Constellation Software Inc has provided a letter confirming it will provide financial support for the Group to meet its contractual obligations entered into in the ordinary course of business for a period of least 12 months from the date of signing these financial statements.

These forecasts indicate that this reduced interest burden and support of Constellation Software Inc, will allow the Group, now headed by SSP Midco 2 Limited, to pay its liabilities as they fall due for at least 18 months from the date of signing of these financial statements.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Financial Instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

Classification and subsequent measurement

Financial assets

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances with banks.

Subsequent measurement and gains and losses

Financial assets at FVTPL – these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost – these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent they meet the following two conditions:

They include no contractual obligations on the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

Where the instrument may or will be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or it is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Financial liabilities are recognised as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (ie the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available within undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 September 2020

3. CRITICAL ACCOUNTING 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 amounts 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 considered relevant. Actual results may differ from these estimates.

There are no critical judgements that have been made and the key sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements are set out below.

Revenue recognition (note 4)

Where the supply of goods and services to a customer includes multiple elements comprising more than one of software licenses, installation, consultancy, support, training, service and maintenance elements, the directors make judgements as to the amount and timing of revenue recognition by reference to the specific customer contract, the nature of services rendered, delivery of services and the Company's accounting policies in relation to revenue recognition.

Impairment of goodwill (note 11)

The Company assesses annually whether goodwill has suffered any impairment. Impairment testing requires assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows using cash flow projections which have been discounted at an appropriate rate. Assumptions have to be made in respect of highly uncertain matters including management expectations of growth in operating profit, timing and quantum of capital expenditure, long term growth rates (2%) and the selection of discount rates (15%). Goodwill totals £14.1m (2019: £14.1m) and the directors believe that no impairment charge is required in both the current and prior period.

Recoverability of other intangible assets (note 11)

The directors have considered the recoverability of the Company's internally generated intangible assets, comprising capitalised development expenditure and licences, based on value-in-use calculations that require the use of estimates. In particular, the directors have made judgements as to anticipated revenues from the core products having regard to their technical and commercial progress. The directors also have to estimate the useful economic life of intangible assets. Intangible assets total £24.5m at 30 September 2020 (30 September 2019: £23.4m) with an impairment charge of £nil (2019: £0.2m) made in the period.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

4. REVENUE

The Company's revenue is derived entirely from the provision of software and services to its customers, with the exception of interest receivable disclosed in note 8 to the financial statements.

Revenue from contracts with customers:

	Year ended 30 Sept 2020 £'000	18 months to 30 Sept 2019 £'000
By geographical area		
UK and Ireland	43,987	85,066
Europe	394	601
Africa	245	581
USA	35	80
	<u>44,661</u>	<u>86,328</u>
By revenue stream		
Professional Services	7,289	22,825
Support	23,808	39,609
Transactions	13,564	23,895
	<u>44,661</u>	<u>86,328</u>
Timing of transfer of goods or services		
Products and services transferred at a point in time	13,564	23,895
Products and services transferred over time	31,097	62,433
	<u>44,661</u>	<u>86,328</u>
The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.	30 Sept 20 £'000	30 Sept 19 £'000
Trade receivables	3,724	5,400
Contract assets	3,327	6,324
Contract liabilities	(3,168)	(3,565)

Contract assets primarily relate to the rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to receivables when rights become unconditional. Balances are provided for in full where it is anticipated that invoices will not be issued. It is anticipated that all unprovided amounts will be invoiced within 12 months.

Contract assets include £1,947,000 (2019: £3,688,000) in relation to payment plans agreed with customers. Amounts due in more than one year are £880,000 (2019: £1,598,000).

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

4. REVENUE (continued)

Contract assets above are net of an expected credit loss provision of £108,000 (2019: £1,034,000)

Movement in the expected credit loss provision:

	30 Sept 2020 £'000	30 Sept 2019 £'000
Balance at 1 October	1,034	1,540
Provision utilised	(989)	(1,072)
Additional provision	63	566
Balance at 30 September	<u>108</u>	<u>1,034</u>

Contract liabilities relate to advance consideration received from customers, primarily in relation to annual support contracts.

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 30 Sept 2020 £'000	18 months to 30 Sept 2019 £'000
Directors' emoluments		
Remuneration	947	1,443
Compensation for loss of office	-	281
Pension contributions	10	14
	<u>957</u>	<u>1,738</u>
Remuneration of the highest paid director	<u>495</u>	<u>734</u>

Retirement benefits are accruing in respect of qualifying services for one director (2019: one)

All the directors during the year were employed and remunerated either by the Parent Company SSP Midco 2 Limited or SSP Limited for their services to the group as a whole. SSP Midco 2 Limited recharges director's salary cost to the Company. The above table includes costs expensed within SSP Limited, as well as those costs recharged by SSP Midco 2 Limited.

Average number of persons employed	Year ended 30 Sept 2020 £'000 No.	18 months to 30 Sept 2019 £'000 No.
Production	336	402
Administration	59	66
	<u>395</u>	<u>468</u>

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

Staff costs during the year (including directors)	Year ended 30 Sept 2020 £'000	18 months to 30 Sept 2019 £'000
Wages and salaries	20,044	35,387
Social security costs	2,094	3,784
Other pensions costs	1,141	1,890
	<u>23,279</u>	<u>41,061</u>

A government grant was received in relation to the coronavirus job retention scheme and has been presented separately on the income statement as government grant.

6. OTHER OPERATING EXPENSES

	Year ended 30 Sept 2020 £'000	18 months to 30 Sept 2019 (as restated – note 15) £'000
Other operating expenses		
Administrative expenses:		
Amortisation	5,181	7,127
Impairment of Intangible assets	-	234
Provision against amounts due from group undertakings	-	3,334
Re-organisation and non-recurring costs	1,212	2,301
Other administration expenses	10,689	20,187
Total administration expenses	<u>17,082</u>	<u>33,183</u>
Distribution costs	<u>1,700</u>	<u>2,913</u>
Total operating expenses	<u>18,782</u>	<u>36,096</u>

Re-organisation costs include redundancy costs, including payments to affected personnel made during the notice period, costs incurred from running existing and cloud hosting, as well as other costs treated as exceptional in the management accounts.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

7. OPERATING LOSS

Operating loss is after charging/ (crediting):	Year ended 30 Sept 2020 £'000	18 months to 30 Sept 2019 £'000
Amortisation excluding development costs	395	1,095
Depreciation:		
Owned assets	1,984	4,299
Right of use assets	1,762	2,895
Research and development:		
Current period expenditure	769	5,465
Amortisation of development and costs	4,785	6,032
Impairment of development costs	-	234
(Gain) on foreign exchange	(34)	(590)
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's financial statements	182	342
Taxation compliance services	34	38
Other taxation advisory services	60	130
Services related to corporate finance transactions	-	202
	<u> </u>	<u> </u>

8. INTEREST RECEIVABLE

	Year ended 30 Sept 2020 £'000	18 months to 30 Sept 2019 £'000
Interest receivable on bank deposits and other items	-	-
Interest receivable on intercompany loans	9,196	12,415
	<u>9,196</u>	<u>12,415</u>

9. FINANCE COSTS

	Year ended 30 Sept 2020 £'000	18 months to 30 Sept 2019 £'000
Other interest payable		
Interest payable on intercompany loans	1,540	2,353
Other interest	243	2
Interest on lease liabilities	408	797
	<u>2,191</u>	<u>3,152</u>

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 30 Sept 2020 £'000	18 months to 30 Sept 2019 £'000
Corporation tax		
United Kingdom corporation tax	3	444
Total current tax	3	444
Deferred tax		
Origination and reversal of timing differences	-	1,441
Total deferred tax	-	1,441
Tax charge on profit on ordinary activities	3	1,885

The following deferred tax asset relates primarily to fixed asset timing differences. This asset has been removed in the period as it is unlikely that, given the tax structure of the Group, this asset will unwind in the foreseeable future.

	Fixed asset timing differences £'000
As at 1 October 2019	-
Credit in period	-
As at 30 September 2020	-

Factors affecting tax charge for period

The tax assessed for the year is different to the average standard rate of corporation tax of 19% (2019: 19%). The differences are explained below.

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	7,324	12,692
Expected tax charge at 19% (2019: 19%)	1,392	2,411
Expenses not deductible for tax purposes	1	653
Timing difference on fixed assets	(2)	392
Dividends from subsidiary not taxable	(306)	(692)
Group relief not paid for	(1,085)	(2,764)
Other	3	1,885
Total tax charge for the year	3	1,885

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

10. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The Finance Act 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020. The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date. As a result deferred tax balances as at 30 September 2020 continue to be measured at 19%.

11. INTANGIBLE FIXED ASSETS

	Licences	Goodwill	Third party software	Development costs	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
As at 1 April 2018	116	53,624	7,711	32,122	93,573
Exchange difference	-	(1)	-	-	(1)
Additions	-	-	15	10,896	10,911
As at 30 September 2019	116	53,623	7,726	43,018	104,483
Exchange difference	-	(3)	-	-	(3)
Additions	-	-	-	6,331	6,331
As at 30 September 2020	116	53,620	7,726	49,349	110,811
Amortisation					
As at 1 April 2018	84	39,569	6,117	13,942	59,712
Charge for the year	8	-	1,087	6,032	7,127
Impairment of development costs	-	-	-	234	234
As at 30 September 2019	92	39,569	7,204	20,208	67,073
Charge for the period	5	-	390	4,785	5,180
Impairment of development costs	-	-	-	-	-
As at 30 September 2020	97	39,569	7,594	24,993	72,253
Net book Value					
At 30 September 2020	19	14,051	132	24,356	38,558
At 30 September 2019	24	14,054	522	22,810	37,410

Goodwill relates to the acquisition of Sirius Plc in July 2007.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

12. PROPERTY, PLANT AND EQUIPMENT

	Owned Assets	Right of use Assets		Total
	Plant and equipment £'000	Property £'000	Plant and equipment £'000	£'000
Cost				
As at 1 April 2018	40,088	-	-	40,088
Right of use assets arising on transition to IFRS 16	(2,168)	6,955	2,688	7,475
Exchange difference	2	-	-	2
Additions	346	-	366	712
As at 30 September 2019	38,268	6,955	3,054	48,277
Exchange difference	(3)	-	-	(3)
Additions	383	-	83	466
Disposals	(183)	-	-	(183)
As at 30 September 2020	38,465	6,955	3,137	48,557
Depreciation				
As at 1 April 2018	30,803	-	-	30,803
Right of use assets arising on transition to IFRS 16	(1,523)	-	1,523	-
Exchange difference	2	-	-	2
Charge for the period	4,299	2,009	886	7,194
As at 30 September 2019	33,581	2,009	2,409	37,999
Exchange difference	(3)	-	-	(3)
Charge for the year	1,984	1,339	423	3,746
Disposals	(183)	-	-	(183)
As at 30 September 2020	35,379	3,348	2,832	41,559
Net book value				
As at 30 September 2020	3,086	3,607	305	6,998
As at 30 September 2019	4,687	4,946	645	10,278

Included within Right of Use assets are plant and equipment assets held under finance lease with a net book value of £nil (30 September 2019: £180,000).

The Group's borrowings are secured against the owned assets of the Company.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

13. INVESTMENT IN SUBSIDIARIES

	Investment in subsidiary undertakings £'000
Cost	
As at 1 October 2019 and as at 30 September 2020	12,223
Provision for impairment	
As at 1 October 2019 and as at 30 September 2020	12,223
Net book value	
As at 30 September 2020	-
As at 30 September 2019	-

At 30 September 2020 and at 30 September 2019 the Company owns the whole of the issued ordinary share capital of the subsidiaries noted below (except as noted). Where not specified the companies listed below are incorporated in the United Kingdom.

Holdgrove Limited	- non-trading
Key Choice Insurance Marketing Limited	- dormant general insurance intermediary broker
KeyChoice Underwriting Limited	- dormant insurance underwriting agency
Software Solutions Partners Africa (Proprietary) Limited (incorporated in South Africa)	- supply of software products and services
SSP (Africa) Holdings (Proprietary) Limited (incorporated in South Africa)	- non-trading
SSP (New Zealand) Limited (incorporated in New Zealand)	- supply of software products and services
SSP (USA) Inc (incorporated in USA)	- supply of software products and services
SSP (India) Private Limited (incorporated in India)	- supply of software products and services
Sectormet Limited	- dormant
Policy Master Group Limited	- dormant
SSP Asia Pacific Pty Limited (incorporated in Australia)*	- supply of software products and services

*Indirectly owned

A subsidiary of the Company SSP (Africa) Holdings (Proprietary) Limited holds a 25% stake in the share capital of Friedshel 1027 (Proprietary) Limited t/a The Insurance Webgate Company (incorporated in South Africa).

The registered office of the companies registered in England & Wales is Fourth Floor D Mill, Dean Clough, Halifax, HX3 5AX.

The registered office of the companies registered in South Africa is Sandown Mews, Ground Floor West Building, 88 Stella Road, Sandton, Johannesburg, 2196.

The registered office of SSP (New Zealand) Limited is Level 6, 205 Queen Street, Auckland.

The registered office of SSP (USA) Inc is 6465 Greenwood Plaza Blvd, Suite 170, Centennial, Co 80111.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

13. INVESTMENT IN SUBSIDIARIES (continued)

The registered office of SSP (India) Private Limited is 4th Floor, Block A-2, DLF World Tech Park, DLF IT SEZ Silokhera, Sector 30, Gurugram, Haryana, 122002.

The registered office of SSP (Asia Pacific) Pty Limited is Level 3, 293 Camberwell Road, Camberwell, Vic 3124.

14. INVENTORIES

	30 Sept 2020 £'000	30 Sept 2019 £'000
Goods for resale	-	1

There is no material difference between the balance sheet value of inventories and their replacement cost.

15. TRADE AND OTHER RECEIVABLES

	30 Sept 2020 £'000	30 Sept 2019 £'000
CURRENT ASSETS		
Trade debtors	4,286	5,953
Expected credit loss provision	(562)	(553)
	3,724	5,400
Prepayments	2,306	2,338
Other debtors	11	110
Corporation Tax	895	1,826
	6,936	9,674
NON-CURRENT ASSETS		
	30 Sept 2020 £'000	30 Sept 2019 (as restated) £'000
Amounts due from group undertakings due in more than one year:		
Parent	97,384	90,726
Subsidiaries	10,432	11,518
Other group undertakings	37,732	33,962
	145,548	136,206

Amounts owed by group undertakings are repayable on demand and held at a mortised cost. As no repayments are expected to be made in the foreseeable future, all amounts due from group undertakings are recognised as due in more than one year. A prior year adjustment has been made to reclassify amounts due from group undertakings, which were previously reported within current assets in error, to non-current assets to appropriately reflect the nature of the balances that are intended for use on a continuing basis in the entity's activities. A prior year adjustment was also made to reverse the impairment of £29,843,000 made against amounts due from the parent undertaking, which was impaired in error, as a result of misinterpreting the relationship between the amounts due from and amounts payable to group undertakings and the expected net settlement.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

15. TRADE AND OTHER RECEIVABLES (continued)

Movement in expected credit provision

	30 Sept 2020 £'000	30 Sept 2019 £'000
At 1 October	553	2,100
Impairment losses recognised	200	735
Impairment losses released	(110)	(1,621)
Amounts written off as uncollectable	(81)	(661)
At 30 September	<u>562</u>	<u>553</u>

Ageing of trade receivables past due but not impaired:

	30 Sept 2020 £'000	30 Sept 2019 £'000
0 – 30 days	1,397	553
31 – 60 days	194	303
61 – 90 days	56	239
More than 90 days	281	420
Total	<u>1,928</u>	<u>1,515</u>

16. TRADE AND OTHER PAYABLES

	30 Sept 2020 £'000	30 Sept 2019 £'000
Trade creditors	2,220	3,782
Other taxation and social security	3,316	1,591
Accruals and deferred income	3,754	5,110
Amounts due to group undertakings:		
Subsidiaries	40,333	42,460
Other group undertakings	35,023	35,032
	<u>84,646</u>	<u>87,975</u>

Included within accruals and deferred income are amounts due to the Company's defined contribution pension scheme of £193,000 (30 September 2019: £203,000). Amounts owed to group undertakings are repayable on demand and held at amortised cost.

17. BORROWINGS

	30 Sept 2020 £'000	30 Sept 2019 £'000
Bank loan due in less than one year	6,146	-
Bank loan due in more than one year	-	6,000
	<u>6,146</u>	<u>6,000</u>

The bank loan of £6,000,000 accrues interest at 3.75% plus LIBOR and is repayable in full in May 2021. This loan was repaid in full on 17 February following the sale of the Group.

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

18. LEASE LIABILITIES

Obligations under leases

	30 Sept 2020 £'000	30 Sept 2019 £'000
Within one year	1,325	1,824
In the second to fifth years inclusive	3,164	3,848
Over five years	308	829
	<u>4,797</u>	<u>6,501</u>

The finance lease creditor is secured against the fixed assets noted in note 12.

	Minimum lease payments	
	2020 £'000	2019 £'000
Amounts payable under leases		
Within one year	1,610	2,209
In the second to fifth years inclusive	3,645	4,552
Over five years	318	887
	<u>5,573</u>	<u>7,648</u>
Less future finance charges	(776)	(1,147)
Present value of lease obligations	<u>4,797</u>	<u>6,501</u>

Movement in lease liability

At 1 October 2019	6,501
Interest	379
Lease payments	(2,165)
Additions in period	82
Present value of lease obligations	<u>4,797</u>

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 September 2020

19. PROVISIONS FOR LIABILITIES

	Leasehold dilapidations £'000
Property	
As at 1 October 2019	463
Interest	28
As at 30 September 2020	<u>491</u>

The leasehold dilapidations provision relates to contractual obligations to reinstate leasehold properties to their original state of repair. This provision is calculated by reference to the expired portion of individual lease agreements where such a clause exists in the lease contract.

20. CALLED-UP SHARE CAPITAL

	30 Sept 2020 £'000	30 Sept 2019 £'000
Authorised		
1,000,000 Ordinary shares of 0.1p each	<u>1</u>	<u>1</u>
Called-up, allotted and fully paid		
479,833 Ordinary shares of 0.1p each	<u>-</u>	<u>-</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Other reserves are a historic reserve relating to a capital contribution made in the year ended 31 March 2007.

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

SSP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 30 September 2020**

21. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose details of related party transactions with other wholly owned group companies.

22. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent undertaking of the company at 30 September 2020 is SSP Topco Ltd, a company incorporated in the United Kingdom. The SSP group of companies headed by SSP Topco Limited is owned and controlled by Lloyds Development Capital, Scottish Equity Partners and management.

At the reporting date, the company has been included in the group consolidated financial statements of SSP Midco 2 Limited which is the largest group that prepares consolidated financial statements that include the financial statements of the company. Copies of those financial statements will be available at the following address: Fourth Floor D Mill, Dean Clough, Halifax, HX3 5AX.

The immediate parent undertaking of the Company is SSP Holdings Ltd, a Company incorporated in the United Kingdom. Copies of those financial statements will be available at the following address: Fourth Floor D Mill, Dean Clough, Halifax, HX3 5AX.

The ultimate parent company at the date of signing these financial statements is Constellation Software Inc., a company incorporated in Canada. Copies of the consolidated financial statements of Constellation Software Inc. are publicly available from Rivington House, Drumhead Road, Chorley, PR6 7BX.

23. SUBSEQUENT EVENTS

As detailed in the going concern section of the Directors Report, during the year and post balance sheet date the Group has been involved in a transaction process. On 17 February 2021 SSP Topco Limited sold the entire share capital of SSP Midco 2 Limited, the parent company to SSP Ltd, to Volaris Group UK Holdco Limited, a wholly owned subsidiary of Constellation Software Inc.