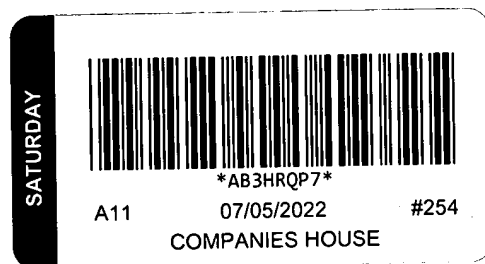


**Company Registration No: 05247843**

**SSP HOLDINGS LIMITED**

**Annual Report and Financial Statements**

**Year ended 30 September 2020**



**SSP HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

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**SSP HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

M Miller  
M Dufton  
B Beattie

**REGISTERED OFFICE**

Fourth Floor  
D Mill  
Dean Clough  
Halifax  
West Yorkshire  
HX3 5AX

**SOLICITORS**

Squire Patton Boggs  
Trinity Court  
16 John Dalton Street  
Manchester  
M60 8HS

**AUDITOR**

Deloitte LLP  
Statutory Auditor  
1 City Square  
Leeds  
LS1 2AL

## **SSP HOLDINGS 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 an intermediate holding company. The directors expect the Company to continue in this activity for the foreseeable future.

#### **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 company, 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 through its subsidiaries 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**

The Company has made a loss after tax for the year of £6.7m (18 months to 30 September 2019: £9.5m) driven by interest payable on inter-company loans. The loss has been transferred to reserves and the Company's net liabilities are £9.5m (2019: net liabilities of £2.9m). As the Company is an intermediate holding company, with no transactions other than in relation to intercompany loans, no key performance indicators have been identified by the directors.

#### **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 also allow the Group to benefit from Constellation's extensive expertise of software businesses.

The Covid-19 pandemic has resulted in the 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 the Group to its customer base. The Directors would like to express their thanks to all Group 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.

## **SSP HOLDINGS LIMITED**

### **STRATEGIC REPORT (continued)**

#### **PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT**

The key risks to which the Group and therefore the individual subsidiary companies are 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 an 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 Group 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 the Group to continue its investment and restructuring programme; mitigated by joining Constellation Software Inc. 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, the Group 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.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's activities expose it and the Company to a number of potential financial risks including cash flow risk, credit risk, liquidity risk, currency risk and interest rate risk. The use of financial derivatives to manage these risks is approved by the Board of Directors. The Group 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 Group's principal financial assets are bank balances and cash, trade and other receivables.

The Group'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 Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

## **SSP HOLDINGS LIMITED**

### **STRATEGIC REPORT (continued)**

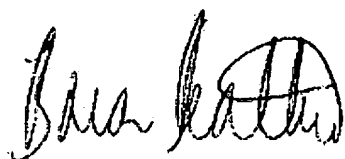
#### **LIQUIDITY RISK**

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.

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

A handwritten signature in black ink, appearing to read 'B Beattie', is written over a faint, circular stamp or watermark.

**B Beattie**

Director  
6 May 2022

## **SSP HOLDINGS 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.

#### **DIRECTORS**

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

S Lathrope (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 loss for the year after taxation amounted to £6.7m (18 months ended 30 September 2019: £9.5m). The directors do not recommend the payment of a dividend, either in the year or subsequently (2019: £nil).

#### **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 an after tax loss in the year of £6.7m (2019: £9.5m) and net current liabilities at 30 September 2020 of £97.4m (30 September 2019: £90.7m).

During the year, the Group entered into discussions with interested parties, resulting in the exchange of contracts on 11 December 2020 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.

## **SSP HOLDINGS 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:

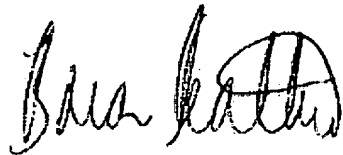
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's 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.

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

**B Beattie**

Director  
6 May 2022



## **SSP HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 year. 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 HOLDINGS LIMITED**

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

In our opinion the financial statements of SSP Holdings 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 loss 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 statement of total comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

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 HOLDINGS LIMITED**

## **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](http://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*

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

**SSP HOLDINGS LIMITED****STATEMENT OF TOTAL COMPREHENSIVE INCOME**

		<b>Year to 30 Sept 2020 £'000</b>	<b>18 months to 30 Sept 2019 £'000</b>
	<b>Note</b>		
<b>REVENUE</b>		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		-	-
Finance costs	6	(6,658)	(9,503)
		<hr/>	<hr/>
<b>LOSS BEFORE TAXATION</b>		(6,658)	(9,503)
Tax	7	-	-
		<hr/>	<hr/>
<b>LOSS FOR THE FINANCIAL PERIOD AND TOTAL COMPREHENSIVE LOSS</b>		<u>(6,658)</u>	<u>(9,503)</u>

Finance costs are all derived from continuing operations.

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

**SSP HOLDINGS LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**Year ended 30 September 2020**

	Share Capital £'000	Share premium account £'000	Merger reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2018	83	30,250	15,143	50	(38,889)	6,637
Loss and total comprehensive loss for the period	-	-	-	-	(9,503)	(9,503)
At 30 September 2019	<u>83</u>	<u>30,250</u>	<u>15,143</u>	<u>50</u>	<u>(48,392)</u>	<u>(2,866)</u>
Loss and total comprehensive loss for the year	-	-	-	-	(6,658)	(6,658)
At 30 September 2020	<u>83</u>	<u>30,250</u>	<u>15,143</u>	<u>50</u>	<u>(55,050)</u>	<u>(9,524)</u>

**SSP HOLDINGS LIMITED**

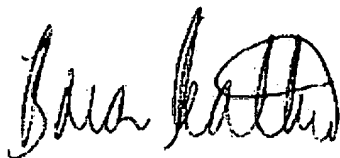
**BALANCE SHEET AS AT 30 September 2020**

	Note	30 Sept 2020 £'000	30 Sept 2019 (as restated - note 9) £'000
<b>NON CURRENT ASSETS</b>			
Investments in subsidiaries	8	64,805	64,805
Trade and other receivables	9	23,042	23,042
<b>TOTAL ASSETS</b>		<u>87,847</u>	<u>87,847</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	<u>(97,371)</u>	<u>(90,713)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(97,371)</u>	<u>(90,713)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(9,524)</u>	<u>(2,866)</u>
<b>NET LIABILITIES</b>		<u>(9,524)</u>	<u>(2,866)</u>
<b>EQUITY</b>			
Called-up share capital	11	83	83
Share premium account		30,250	30,250
Merger reserve		15,143	15,143
Capital redemption reserve		50	50
Retained earnings		<u>(55,050)</u>	<u>(48,392)</u>
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>		<u>(9,524)</u>	<u>(2,866)</u>

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

These financial statements were approved by the Board of Directors and authorised for issue on 6 May 2022.

Signed on behalf of the Board of Directors.



**B Beattie**  
Director

## **SSP HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. GENERAL INFORMATION**

SSP Holdings 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 13.

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 (Financial Statements and Reports) Regulations 2015 that are effective for accounting period 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. They have all been applied consistently throughout the current year and prior period.

##### **Investments**

Investments are included in the balance sheet at cost less any provision for permanent diminution in value.

##### **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 an after tax loss in the year of £6.7m (2019: £9.5m) and net current liabilities at 30 September 2020 of £97.4m (30 September 2019: £90.7m).

## **SSP HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 30 September 2020**

#### **2. ACCOUNTING POLICIES (continued)**

##### **Going concern (continued)**

During the year, the Group entered into discussions with interested parties, resulting in the exchange of contracts on 11 December 2020 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.

##### **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.

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.



## SSP HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 September 2020

#### 2. ACCOUNTING POLICIES (continued)

##### *Deferred tax (continued)*

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 year*

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.

#### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2 above, 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 that are considered to be 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.

##### **Impairment of investments (Note 8)**

The directors consider the impairment of investments to be a key area of judgement and uncertainty. They assess annually whether any investment has suffered any impairment based on Group value-in-use calculations that require the use of estimates. 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%). Investments totals £64.1m (2019: £64.1m) and the directors believe that no impairment charge is required in both the current and prior period.

##### **Taxation (Note 7)**

The directors use their judgement in determining the extent to which deferred tax assets should be recognised. To the extent that such assets are recognised, they are only carried on the Balance Sheet when it is considered probable that they will be recovered. This requires an assessment of the expected future profits of the Company.

#### 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

All directors in the year were employed and remunerated by SSP Midco 2 Limited or SSP Limited for their services to the group as a whole. The directors received total emoluments of £637,000 (2019: £1,273,000) from SSP Midco 2 Limited or SSP Limited during the year, but it is not practicable to allocate this between their services as executives of SSP Midco 2 Limited or SSP Limited and as directors of the other group companies. One director also received pension contributions of £10,000 (2019: £10,000). The remuneration of the highest paid director was £495,000 (2019: £734,000). Pension contributions were not made in respect of the highest paid director in either period. There were no other employees.

#### 5. OTHER OPERATING EXPENSES

Fees payable to the Company's auditor for the audit of the Company's financial statements of £1,000 (2019: £1,000) have been met by a fellow group undertaking. All non audit fees have been met by other group undertakings and it is not possible to allocate to individual entities.

# SSP HOLDINGS LIMITED

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

### 6. FINANCE COSTS

	Year to 30 Sept 2020 £'000	18 months to 30 Sept 2019 £'000
Interest payable on intercompany loans	<u>6,658</u>	<u>9,503</u>

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year to 30 Sept 2020 £'000	18 months to 30 Sept 2019 £'000
<b>Corporation Tax</b>		
United Kingdom corporation tax		
Tax (credit) / charge on profit on ordinary activities	-	-
Current tax charge for the year	<u>-</u>	<u>-</u>

#### 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.

	Year to 30 Sept 2020 £'000	18 months to 30 Sept 2019 £'000
Loss on ordinary activities before tax	<u>(6,658)</u>	<u>(9,503)</u>
Expected tax charge at 19% (2019: 19%)	(1,265)	(1,806)
Group relief surrendered	<u>1,265</u>	<u>1,806</u>
Total tax charge for the period	<u>-</u>	<u>-</u>

At 30 September 2020 there was an unprovided deferred tax asset of £1,527,000 (2019: £1,297,000) relating primarily to unutilised losses. This is not recognised as it was more likely than not under the current group tax structure that this asset would not unwind in the foreseeable future.

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 result deferred tax balances as at 30 September 2020 continue to be measured at 19%.

## SSP HOLDINGS LIMITED

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

#### 8. INVESTMENT IN SUBSIDIARIES

	Investment in subsidiary undertakings £'000
<b>Cost</b>	
As at 1 October 2019 and as at 30 September 2020	64,085
<b>Provision for impairment</b>	
As at 1 October 2019 and as at 30 September 2020	-
<b>Net book value</b>	
As at 30 September 2020 and as at 30 September 2019	64,085

At 30 September 2020 and at 30 September 2019 the Company held directly\* or indirectly 100% of the allotted ordinary share capital of the following undertakings.

Name of company	Country of registration	Holding	Nature of business
SSP Limited*	England & Wales	Ordinary shares	Software house
SSP (Africa) Pty Limited	South Africa	Ordinary shares	Software house
SSP (Africa) Holdings Pty Limited	South Africa	Ordinary shares	Holding company
SSP Sirius Solutions Limited	England & Wales	Ordinary shares	Holding company
SSP Sirius Limited	England & Wales	Ordinary shares	Dormant
Sirius Financial Systems Group Limited	England & Wales	Ordinary shares	Dormant
SSP (New Zealand) Limited	New Zealand	Ordinary shares	Software house
SSP (USA) Inc	USA	Common stock	Software house
SSP (India) Private Limited	India	Ordinary shares	Software development
SSP (Asia Pacific) Pty Limited	Australia	Ordinary shares	Software house
Key Choice Insurance Marketing Limited	England & Wales	Ordinary shares	Dormant
Keychoice Underwriting Limited	England & Wales	Ordinary shares	Dormant
Holdgrove Limited	England & Wales	Ordinary shares	Holding company
Sectornet Limited	England & Wales	Ordinary shares	Dormant
Mediquote Health Solutions Limited	England & Wales	Ordinary shares	Dormant
Policy Master Group Limited	England & Wales	Ordinary shares	Dormant

A subsidiary of the Company (SSP (Africa) Holdings (Proprietary) Limited holds a 25% stake in the share capital of Friedshelf 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.

## SSP HOLDINGS LIMITED

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

#### 8. INVESTMENT IN SUBSIDIARIES (continued)

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.

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.

#### 9. TRADE AND OTHER RECEIVABLES

NON-CURRENT ASSETS	30 Sept 2020 £'000	30 Sept 2019 (as restated) £'000
Amounts due from group undertakings:		
Parent	697	697
Subsidiary	22,345	22,345
	<u>23,042</u>	<u>23,042</u>

Amounts owed by group undertakings are repayable on demand and held at amortised cost. Interest is not charged on these loans. 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.

#### 10. TRADE AND OTHER PAYABLES

	30 Sept 2020 £'000	30 Sept 2019 £'000
Amounts due to group undertakings:		
Other group undertakings	<u>97,371</u>	<u>90,713</u>

Amounts owed to group undertakings are repayable on demand and held at amortised cost. Interest is charged at 7% plus LIBOR.

#### 11. CALLED-UP SHARE CAPITAL

	30 Sept 2020 £'000	30 Sept 2019 £'000
<i>Authorised</i>		
120,000,000 Ordinary shares of 0.1p each	<u>120</u>	<u>120</u>
<i>Called-up, allotted and fully paid</i>		
83,250,039 Ordinary shares of 0.1p each	<u>83</u>	<u>83</u>

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

## **SSP HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 30 September 2020**

#### **12. 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.

#### **13. 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.

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 Bidco 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.

#### **14. 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 to Volaris Group UK Holdco Limited, a wholly owned subsidiary of Constellation Software Inc.