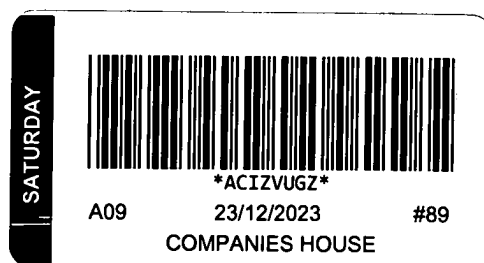


**Company Registration No. 05247843**

**SSP HOLDINGS LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 December 2022**



**SSP HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

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**SSP HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

M Miller  
M Dufton  
B Beattie

**REGISTERED OFFICE**

3<sup>rd</sup> Floor  
West Bowling Mill  
Dean Clough Mills  
Halifax  
West Yorkshire  
HX3 5AX

**SOLICITORS**

Squire Patton Boggs (UK) LLP  
No 1 Spinningfields  
1 Hardman Square  
Manchester  
M3 3EB

**AUDITOR**

BDO LLP  
6<sup>th</sup> Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

## **SSP HOLDINGS LIMITED**

### **STRATEGIC REPORT**

We present our annual report and the audited financial statements for the year ended 31 December 2022. Comparatives are for the 15-month period ended 31 December 2021, which was extended to align with the parent company.

#### **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**

The ultimate parent undertaking of the Company is 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 digital ecosystem, 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 ended 31 December 2022 of £9.2m (period to 31 December 2021: (£8.6m)). The loss has been transferred to reserves resulting the Company's net liabilities increasing to £27.3m (2021: £18.1m).

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**

The directors expect the Company to continue in this activity for the foreseeable future.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The key risks to the Company are the recoverability of amounts due from group undertakings of £23.0m (2021: (£23.0m)) at the balance sheet date, whether other group entities would demand payment of amounts due, and whether the immediate parent entity would seek to simplify structures and liquidate the Company. The recoverability of intercompany debtors is dependent on the continued profitable performance of the SSP Group.

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 a cost-effective alternative to high capital cost projects;

## **SSP HOLDINGS LIMITED**

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

- 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: 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 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.

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

The Group's activities expose it and the Company to several 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.

#### **CREDIT RISK**

The Company's credit risk is primarily attributable to amounts due from group undertakings.

In turn, the SSP Group's principal financial assets are bank balances and cash, trade and other receivables.

The SSP 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 SSP Group has no significant concentration of credit risk, with exposure spread over many counterparties and customers.

#### **LIQUIDITY RISK**

The Company's liquidity risk is tied to the liquidity risk of SSP Group. SSP Group held cash of £2.3m at 31 December 2022 (2021: £2.2m). Liquidity risk arises where there is insufficient cash in the short term to fund ongoing operations and future developments.

Liquidity risk is mitigated by standalone cash generation, an ongoing focus on working capital management and the ability to drawdown from broader group resources via its parent company, Volaris Group UK Holdco Limited.

**SSP HOLDINGS LIMITED**

**STRATEGIC REPORT (continued)**

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

A handwritten signature in black ink, appearing to read 'B Beattie', written in a cursive style.

**B Beattie**

Director

**11 December 2023**

## **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 to 31 December 2022.

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 and future prospects 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:-

M Miller  
M Dufton  
B Beattie

### **RESULTS AND DIVIDENDS**

The loss after taxation for the year ended 31 December 2022 amounted to £9.2m (period to 31 December 2021: £8.6m). The directors do not recommend the payment of a dividend, either in the year or subsequently (2021: £nil).

### **GOING CONCERN**

It is the directors' responsibility to assess whether the going concern basis of accounting is appropriate in the financial statements for the Company. 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.

The Company reported an after-tax loss in the year of £9.2m (2021: (£8.6m) and net liabilities at 31 December 2022 of £27.3m (2021: £18.1m). These movements have arisen solely due to interest charges on amounts due to other group companies.

In assessing going concern, the directors have considered the performance of the Company and the SSP Group, its future prospects and the financial strength and support of the broader group of which the Company is part.

Forecasts covering the year to 31 December 2027 reflect the new group structure and reduced debt burden and show that SSP Group will be cash generative and able to pay its liabilities as they fall due. To the extent that surplus cash is generated, or additional facilities are required, SSP Group is part of a broader group of companies where the operating model is to make cash available across the group on an as-needed basis. In support of this, the ultimate parent undertaking, 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. The Directors of the Company are satisfied that the wider group of which the Company is part has sufficient funds to meet any cash requirements of the Company and its subsidiaries for the foreseeable future.

The Company's balance sheet has current liabilities of £115.1m as a result of amounts due to a subsidiary undertaking, SSP Limited. The directors of SSP Limited have confirmed that it does not intend to call payment within 12 months of the signature date of these Accounts, other than where the Company has funds available to pay this.

**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**

BDO LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed in the absence of an Annual General Meeting.

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



**B Beattie**

Director

**11 December 2023**



## **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**

## **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SSP Holdings Limited ("the Company") for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of changes in equity, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Independence**

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## **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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSP HOLDINGS LIMITED**

**(continued)**

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 this regard.

## **Other Companies Act 2006 reporting**

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 material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSP HOLDINGS LIMITED

(continued)

*Extent to which the audit was capable of detecting irregularities, including fraud*

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

*Non-compliance with laws and regulations*

Based on:

- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be UK company law and UK tax legislation.

Our procedures in respect of the above included:

- Obtaining an understanding of the Company and the effect such laws may have;
- Enquiring with management regarding the activities of the Company and the impact with regards to any such legislation; and
- Review of financial statement disclosures and agreeing to supporting documentation.

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSP HOLDINGS LIMITED

(continued)

Our procedures in respect of the above included:

- Testing all journal entries posted throughout the year, given these should only relate to the intercompany balances held. This involved the recalculation of the interest charges accumulating on any such loans to ensure that they aligned with any such agreements in place; and
- Assessing significant estimates made by management for bias which included the WACC used in determining the recoverable amount of the investment in subsidiaries balance, and the appropriate application of the IFRS 9 expected credit loss model in respect of intercompany loans.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## 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.

DocuSigned by:  
  
D44FEAE45B2A4E7...

Paul Davies (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Leeds, UK

19 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**SSP HOLDINGS LIMITED**  
**Registered No: 05247843**

**STATEMENT OF TOTAL COMPREHENSIVE INCOME**

**For the year ended 31 December 2022**

	<b>Note</b>	<b>Year to 31 Dec 2022 £'000</b>	<b>Period to 31 Dec 2021 £'000</b>
<b>REVENUE</b>		-	-
<b>OPERATING PROFIT</b>		-	-
Finance costs	6	(9,154)	(8,584)
<b>LOSS BEFORE TAXATION</b>		(9,154)	(8,584)
Tax	7	-	-
<b>LOSS FOR THE FINANCIAL YEAR/ PERIOD AND TOTAL COMPREHENSIVE LOSS</b>		(9,154)	(8,584)

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**  
**Registered No: 05247843**

**STATEMENT OF CHANGES IN EQUITY**

**As at 31 December 2022**

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Capital contribution reserve £'000	Accumulated deficit £'000	Total £'000
At 1 October 2020	83	30,250	15,143	50	(55,050)	(9,524)
Loss and total comprehensive loss for the period	-	-	-	-	(8,584)	(8,584)
At 31 December 2021	<u>83</u>	<u>30,250</u>	<u>15,143</u>	<u>50</u>	<u>(63,634)</u>	<u>(18,108)</u>
Loss and total comprehensive loss for the year	-	-	-	-	(9,154)	(9,154)
At 31 December 2022	<u>83</u>	<u>30,250</u>	<u>15,143</u>	<u>50</u>	<u>(72,788)</u>	<u>(27,262)</u>

**SSP HOLDINGS LIMITED**  
**Registered No: 05247843**

**BALANCE SHEET**

**As at 31 December 2022**

	Note	31 Dec 2022 £'000	31 Dec 2021 £'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	(115,109)	(105,955)
<b>NET CURRENT LIABILITIES</b>		<u>(115,109)</u>	<u>(105,955)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(27,262)</u>	<u>(18,108)</u>
<b>NET LIABILITIES</b>		<u>(27,262)</u>	<u>(18,108)</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 contribution reserve		50	50
Accumulated deficit		(72,788)	(63,634)
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>		<u>(27,262)</u>	<u>(18,108)</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 11 December

2023. Signed on behalf of the Board of Directors



**B Beattie**

Director

**11 December 2023**



## **SSP HOLDINGS LIMITED**

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

**Year ended 31 December 2022**

#### **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 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 Constellation Software Inc. The group statements of Constellation Software Inc 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 (Accounts 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 as modified by financial instruments recognised at fair value.

The principal accounting policies are summarised below.

##### **New accounting standards adopted by the Company**

There have been no significant changes to IFRS that impact the Company's financial statements.

##### **Amendments to IFRS that are mandatorily effective for the current year**

In the current year, the Company has applied several amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting year that begins on or after 1 January 2022.

Amendments to IAS 16,  
Annual improvements to IFRS Standards 2018-2020,  
Amendments to IFRS 3, and;  
Amendments to IAS 37

There have been no significant changes to amendments to IFRS that impact the Company's financial statements.

##### **Investments**

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

## SSP HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

#### 2. ACCOUNTING POLICIES (continued)

##### Going concern

It is the directors' responsibility to assess whether the going concern basis of accounting is appropriate in the financial statements for the Company. 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.

The Company reported an after-tax loss in the year of £9.2m (2021: (£8.6m)) and net liabilities at 31 December 2022 of £27.3m (2021: £18.1m). These movements have arisen solely due to interest charges on amounts due to other group companies.

In assessing going concern, the directors have considered the performance of the Company and the SSP Group, its prospects and the financial strength and support of the broader group of which the Company is part.

Forecasts covering the year to 31 December 2027 reflect the new group structure and reduced debt burden and show that SSP Group will be cash generative and able to pay its liabilities as they fall due. To the extent that surplus cash is generated, or additional facilities are required, SSP Group is part of a broader group of companies where the operating model is to make cash available across the group on an as-needed basis. In support of this, the ultimate parent undertaking, Constellation Software Inc, has provided a letter confirming it will provide financial support for the Group to meet its contractual obligations entered in the ordinary course of business for a period of least 12 months from the date of signing these financial statements. The directors of the Company are satisfied that the wider group of which the Company is part has sufficient funds to meet any cash requirements of the Company and its subsidiaries for the foreseeable future.

The Company's balance sheet has current liabilities of £115.1m because of amounts due to a subsidiary undertaking, SSP Limited. The directors of SSP Limited have confirmed that it does not intend to call payment within 12 months of the signature date of these Accounts, other than where the Company has funds available to pay this.

##### 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 period. 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 periods 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.

## SSP HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

#### 2. ACCOUNTING POLICIES (continued)

##### Deferred tax (continued)

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 way 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 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.

##### 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

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.

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.

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**2. ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

*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 (i.e. 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.

**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.

## **SSP HOLDINGS LIMITED**

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

**Year ended 31 December 2022**

#### **3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)**

##### **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 must 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 (18.9%). Investments total £64.1m (2021: £64.1m) and the directors believe that no impairment provision is required in the current nor prior period.

##### **Impairment of amounts due from group undertakings (note 9)**

The directors consider the impairment of assets to be a key area of estimation uncertainty, including those relating to balances due from group undertakings. They assess annually whether there have been any indicators that amounts owed by group undertakings may be impaired, based on the directors' assessment of expected credit losses. In making the assessment, 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, and long-term growth rates, as well as sensitivity scenarios applicable to base case forecasts and the probability to attach to their respective outcomes. Scenarios considered by directors include reductions in revenue with partial reduction in costs, and an increase in operating expenditure, as well as the base case forecast scenario.

Amounts due from group undertakings total £23.0m (2021: £23.0m) and the directors consider this to be fully recoverable, hence there is nil impairment provision at 31 December 2022 (2021: £nil).

#### **4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

No directors received any remuneration from the Company during the year. The Directors are employees of the group company, Constellation Software Inc. It is not practicable to allocate their remuneration between their services as executives of Constellation Software Inc and as directors of the other group companies.

There are no other employees.

In the prior period, the directors who resigned 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 £1,069,000 for the period to their resignation on 17 February 2021 from SSP Midco 2 Limited or SSP Limited. However 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 £4,000 in the period to his resignation. The remuneration of the highest paid director was £653,000. Pension contributions were not made in respect of the highest paid director in the prior 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 £5,500 (2021: £5,500) have been met by a fellow group undertaking.

**SSP HOLDINGS LIMITED**  
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**6. FINANCE COSTS**

	<b>Year to 31 Dec 2022 £'000</b>	<b>Period to 31 Dec 2021 £'000</b>
<b>Other interest payable</b>		
Interest payable on intercompany loans	<u>9,154</u>	<u>8,584</u>

**7. TAX ON LOSS ON ORDINARY ACTIVITIES**

	<b>Year to 31 Dec 2022 £'000</b>	<b>Period to 31 Dec 2021 £'000</b>
<b>Corporation tax</b>		
United Kingdom corporation tax		
Tax charge on loss on ordinary activities	<u>-</u>	<u>-</u>

**Factors affecting tax charge for year**

The tax assessed for the year is different to the average standard rate of corporation tax of 19% (2021: 19%). The differences are explained below.

	<b>Year to 31 Dec 2022 £'000</b>	<b>Period to 31 Dec 2021 £'000</b>
Loss on ordinary activities before tax	<u>(9,154)</u>	<u>(8,584)</u>
Expected tax credit at 19% (2021: 19%)	(1,739)	(1,631)
Expenses not deductible for taxation purposes	<u>1,739</u>	<u>1,631</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

At 31 December 2022 there was an unprovided deferred tax asset of £1,527,000 (31 December 2021: £1,527,000) 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.

An increase in the future main rate of corporation tax to 25% from April 2023, from the previously enacted 19%, was announced at the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax balance at the year-end has been calculated based on the rate substantively enacted at that date.

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**Year ended 31 December 2022**

**8. INVESTMENT IN SUBSIDIARIES**

	<b>Investment in subsidiary undertakings £'000</b>
<b>Cost</b>	
As at 31 December 2021 and as at 31 December 2022	64,805
<b>Provision for impairment</b>	
As at 31 December 2021 and as at 31 December 2022	-
<b>Net book value</b>	
As at 31 December 2021 and as at 31 December 2022	64,805

At 31 December 2022 and at 31 December 2021 the Company held directly\* or indirectly 100% of the allotted ordinary share capital of the following undertakings.

<b>Name of company</b>	<b>Country of registration</b>	<b>Holding</b>	<b>Nature of Business</b>
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 (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	Non – trading General Insurance Broker
Keychoice Underwriting Limited	England & Wales	Ordinary shares	Non – trading Insurance Intermediary
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
Loop Portal UK 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 3rd Floor West, Bowling Mill, Dean Clough Mills, Halifax, HX3 5AX.

**SSP HOLDINGS LIMITED**  
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**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 (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 18 A 485 La Trobe St, Melbourne, 3000 Victoria AU.

**9. TRADE AND OTHER RECEIVABLES**

	Year to 31 Dec 2022 £'000	Period to 31 Dec 2021 £'000
<b>NON – CURRENT ASSETS</b>		
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.

**10. TRADE AND OTHER PAYABLES**

	Year to 31 Dec 2022 £'000	Period to 31 Dec 2021 £'000
Amounts due to group undertakings:		
Other group undertakings	115,109	105,955
	<u>115,109</u>	<u>105,955</u>

Interest on intercompany loans is charged at 7% plus SOFR.

Amounts owed to group undertakings are repayable on demand and held at amortised cost.



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**11. CALLED-UP SHARE CAPITAL**

	<b>31 Dec 2022 £'000</b>	<b>31 Dec 2021 £'000</b>
<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.

**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 immediate parent undertaking of the Company at the date of signing these financial statements is SSP Bidco Limited, a company incorporated in the United Kingdom. Copies of those financial statements will be available at the following address: 3rd Floor West, Bowling Mil, Dean Clough Mills, 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**

There are no events after the balance sheet date that are material to the financial statements.