

Company registration number 08484663 (England and Wales)

BACKSTOP SOLUTIONS UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

BACKSTOP SOLUTIONS UK LIMITED

COMPANY INFORMATION

Directors	C D Coghill Mr J P Schuler
Secretary	Mr N Griffin
Company number	08484663
Registered office	10 Queen Street Place London United Kingdom EC4R 1BE
Auditor	Azets Audit Services 5 Yeomans Court Ware Road Hertford Hertfordshire United Kingdom SG13 7HJ

BACKSTOP SOLUTIONS UK LIMITED

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BACKSTOP SOLUTIONS UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		13,861		55,455
Tangible assets	5		6,673		3,366
			<u>20,534</u>		<u>58,821</u>
Current assets					
Debtors	6	1,424,544		583,350	
Cash at bank and in hand		145,607		222,558	
		<u>1,570,151</u>		<u>805,908</u>	
Creditors: amounts falling due within one year	7	(1,776,476)		(1,506,385)	
Net current liabilities			<u>(206,325)</u>		<u>(700,477)</u>
Net liabilities			<u>(185,791)</u>		<u>(641,656)</u>
Capital and reserves					
Called up share capital			1		1
Profit and loss reserves			<u>(185,792)</u>		<u>(641,657)</u>
Total equity			<u>(185,791)</u>		<u>(641,656)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

Mr J P Schuler
Director

Company Registration No. 08484663

BACKSTOP SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Backstop Solutions UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10 Queen Street Place, London, United Kingdom, EC4R 1BE.

1.1 Accounting convention

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

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

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

1.2 Going concern

The directors have received confirmation from the directors of Backstop Solutions Group, LLC, the parent company of Backstop Solutions UK Limited that it will provide adequate financial support for the foreseeable future.

The company has net liabilities at the year end of £185,791 (2021: £641,656). The business model of the company means it collects cash for its software income in advance and as such the vast majority of short term creditors relate to the deferral of future income rather than amounts owed to third parties. The company is enjoying cash positive trading and is not reliant on support from its parent or other debt providers to meet its day to day working capital requirements. Taking this and future trading forecasts into account, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and consider it is appropriate to adopt the going concern basis of preparation for these financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. Software turnover is invoiced yearly in advance and recognised monthly with any unrecognised turnover included in the Balance sheet as deferred income at year end.

1.4 Intangible fixed assets - goodwill and software

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged to write off the cost of the intangible assets less their residual values over their estimated useful lives on a straight line basis. The intangible assets are written off over the following useful economic lives:

Goodwill - 10 years

Software - 10 years

If there are indicators of a significant movement in the useful life or residual value of the asset, amortisation is revised prospectively to reflect this.

The directors believe that the useful economic life is 10 years due to the substantial business contacts which the company has maintained.

FOR THE YEAR ENDED 31 DECEMBER 2022

(Continued)

The company contributes to personal pension plans for employees. Contributions payable to personal plans are charged to the profit and loss account in the period to which they relate.

BACKSTOP SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 Share-based payments

Phantom stock plan

Backstop Solutions Group LLC has a group wide Phantom Stock Plan and related Phantom Share Agreements. The Plan and Agreements establish key terms and conditions of the grants, including amount of shares reserved for the grant, vesting period and amounts granted to former and existing employees as well as external consultants. The Phantom stock awards are settled in cash by Backstop Solutions Group LLC upon an occurrence of a change in control or a special distribution. Stock awards have been granted.

Backstop Solutions UK Limited has no obligation to settle the payment of the plan and therefore the transaction is classified as equity-settled in Backstop Solutions UK Limited financial statements. Due to the service conditions in the plan the liquidity event is deemed a non-market performance condition. In this circumstance an expense is only recognised where a change in control or special distribution is deemed probable.

On 28 December 2021, ION Investment Group Limited acquired 100% of Backstop Solutions Group LLC share capital. As a result of this event, the phantom stock awards associated with the plan were settled by Backstop Solutions Group LLC in cash. The cash payments made to former and existing employees as well as consultants is therefore reflected as an expense in the profit and loss account with a corresponding contribution from Backstop Solutions Group LLC in equity. Further, there is a recharge agreement with Backstop Solutions Group LLC to reimburse for this contribution which is reflected as an adjustment to the contribution from Backstop Solutions Group LLC in equity.

All share-based payments were fully settled in the year ended 31 December 2021, as at the year ended 31 December 2022, no more new phantom options plans have been provided for.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

The only significant estimate included within the financial statements is:

Employees and consultants are eligible to Phantom Stock awards which are classified as equity-settled awards in Backstop Solutions UK Limited, due to the obligation being settled by Backstop Solutions Group LLC. This requires Directors to estimate the fair value of the awards on the grant date and to undertake a further assessment of the probability of a change in control or special distribution occurring.

With the exception of the estimate described above, the directors consider that there are no other significant judgements or estimates in the preparation of these financial statements.

BACKSTOP SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Employees

The average monthly number of persons employed by the company during the year was:

	2022 Number	2021 Number
Total	12	9

4 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 January 2022 and 31 December 2022	344,856	71,078	415,934
Amortisation and impairment			
At 1 January 2022	298,877	61,602	360,479
Amortisation charged for the year	34,486	7,108	41,594
At 31 December 2022	333,363	68,710	402,073
Carrying amount			
At 31 December 2022	11,493	2,368	13,861
At 31 December 2021	45,979	9,476	55,455

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2022	10,867
Additions	6,095
At 31 December 2022	16,962
Depreciation and impairment	
At 1 January 2022	7,501
Depreciation charged in the year	2,788
At 31 December 2022	10,289
Carrying amount	
At 31 December 2022	6,673
At 31 December 2021	3,366

BACKSTOP SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	480,722	365,438
Amounts owed by group undertakings	890,271	71,570
Other debtors	14,308	12,084
	<u>1,385,301</u>	<u>449,092</u>
Deferred tax asset	39,243	134,258
	<u>1,424,544</u>	<u>583,350</u>

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	432	247
Taxation and social security	99,208	81,309
Other creditors	1,676,836	1,424,829
	<u>1,776,476</u>	<u>1,506,385</u>

8 Pension Commitments

At the balance sheet date, the company had unpaid defined contribution pension payable of £5,411 (2021: £4,408)

9 Audit report information

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

The auditor's report was unqualified.

The senior statutory auditor was Alison Nayler BSc FCA and the auditor was Azets Audit Services.

10 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

BACKSTOP SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Ultimate controlling party

The directors regard Bessel Capital S.a.r.l, Limited, a company based in Luxembourg as the ultimate controlling company. Backstop Solutions Group, LLC is the immediate parent company.

The registered address of the immediate parent company is 233 South Wacker Drive Suite 3960, Chicago, IL, 60606. The registered office of the ultimate parent company is 34, avenue Marie-Thérèse, 2132 Luxembourg,

The largest group in which the results of the company and its group are consolidated is that headed by ION Investments Group Limited. Copies of the group financial statements may be obtained from Companies Registration Office Ireland.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.