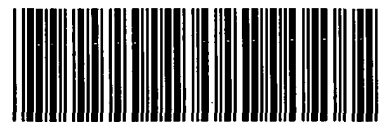


Registration number: 09761011

# QA Gateway Limited

Annual Report and Audited Financial Statements  
for the Year Ended 31 May 2022

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# **QA Gateway Limited**

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## **QA Gateway Limited**

### **Company Information**

<b>Directors</b>	Nathan Runnicles Paul Geddes
<b>Company secretary</b>	Nathan Runnicles
<b>Registered office</b>	International House 1 St Katharine's Way London Berkshire E1W 1UN
<b>Solicitor</b>	DLA Piper UK LLP 1 St Paul's Place Sheffield United Kingdom S1 2JX
<b>Auditor</b>	Deloitte LLP Statutory Auditor London United Kingdom

## **QA Gateway Limited**

### **Strategic Report for the Year Ended 31 May 2022**

The Directors present their Strategic Report of QA Gateway Limited ("the Company") for the year ended 31 May 2022.

#### **Principal Activity**

The Company acts as an intermediate holding company within the IndigoCyan Holdings Jersey Limited group ("the Group"). The only transactions that occurred in the year relate to interest receivable on loans to group undertakings and interest payable on preference shares.

#### **Results and dividends**

The Company made a loss before taxation of £1.1m (2021: loss of £1.0m) as result of interest payable on preference shares of £1.9m (2020: £1.7m), offset by interest receivable on loans to group undertakings of £0.8m (2021: £0.7m). As a result, the Company's net assets decreased by £1.2m to £2.3m (2021: net assets of £3.5m). The Directors do not recommend the payment of a dividend on ordinary shares (2021: £Nil). Preference share dividends of £1.9m (2021: £1.7m) have been accrued in the period.

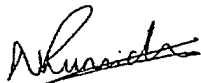
#### **Financial key performance indicators (KPIs)**

The Company is managed as part of the overall Group. For this reason the Company Directors believe that specific KPIs for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group including this Company is discussed the IndigoCyan Holdco 3 Limited Annual Report.

#### **Principal risks, uncertainties and future prospects**

As the Company is non-trading it no longer has any risks other than the recoverability of its intercompany balances. The Company sold its investments in subsidiaries to other group parties in 2020 and exists as an intermediate holding company.

Approved by the Board on 25 November 2022 and signed on its behalf by:



Nathan Runnicles  
Director

## **QA Gateway Limited**

### **Directors' Report for the Year Ended 31 May 2022**

The Directors present their annual report and the audited financial statements for the year ended 31 May 2022.

The following have been disclosed in the Strategic Report on page 2 and are included in the Directors' Report by way of cross reference; principal activity and business review including results and dividends.

#### **Directors of the Company**

The Directors, who held office during the year and subsequently, were as follows:

Nathan Runnicles

Paul Geddes

#### **Financial instruments**

##### ***Objectives and policies***

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk. The Company does not use derivative financial instruments for speculative purposes.

##### ***Credit risk***

The Company's principal financial assets are intercompany receivables. The Company's credit risk is primarily attributable to its intercompany receivables. The risk is managed through the Group's treasury function. The amounts presented in the balance sheet are net of provision for doubtful debts. A provision is made where there is objective evidence of non-recovery of the debt.

##### ***Liquidity risk***

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Company operates within a group treasury function, features of which include intercompany cash transfers and management of lease contracts.

## **QA Gateway Limited**

### **Directors' Report for the Year Ended 31 May 2022 (continued)**

#### **Going concern**

The Company is part of the Indigo Cyan Holdings Jersey Group which in turn owns the IndigoCyan Holdco 3 Limited Group ("the Group") and the Directors have considered the adoption of the going concern basis of preparation of these financial statements with consideration to the wider group position and its business model. The Group's positive trading progress and balance sheet strength in the year ended 31 May 2022 has allowed the Group to repay the revolving credit facility in full and fund the £25m acquisition of Circus Street from cash reserves. At year end the wider Group had cash of £53.2m and access to an undrawn £65m revolving credit facility.

The forecasting process undertaken by the Directors recognises the inherent uncertainty of the current economic environment where inflationary and recessionary risks are heightened by the continuing war in Ukraine. The Directors believe, given Group performance across the recent pandemic, that trading results will remain robust and that there are growth opportunities for the business to pursue. However, the Directors have assessed various revenue and cashflow scenarios that factor in the impact of an economic recession on the demand for the Group's services. The analysis confirmed the Group has sufficient liquidity and is forecast to comply with its financial covenants (which would only be tested if the revolving credit facility is drawn in excess of £25.0m).

The Group has funding arrangements with its banks, which include drawn term loans and an undrawn £65.0m revolving credit facility, in place until June 2024 and June 2023 respectively. On this basis, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing and approving these financial statements. In making this assessment, the Directors have considered the cash flow forecasts of the Group, the availability of financial resources and facilities and compliance with covenants. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

The Company has received a letter of support from IndigoCyan Holdco 3 Limited confirming committed funding for at least 12 months after signing these financial statements.

As a result of the Company disposing of its trading activities in 2020, the financial statements for 2020 and 2021 were prepared on a basis other than a going concern. The Company now exists as an intermediate holding company with the majority of its assets and liabilities being amounts due from and to other group companies and preference shares held by other group companies. On this basis, having considered the position of the wider group, of which the Company is part, the financial statements have been prepared on a going concern basis.

#### **Environmental matters**

Streamlined energy and carbon reporting disclosures are disclosed within the IndigoCyan Holdco 3 Limited accounts, see note 12.

## **QA Gateway Limited**

### **Directors' Report for the Year Ended 31 May 2022 (continued)**

#### **Disclosure of information to the auditor**

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. A resolution to reappoint Deloitte LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 25 November 2022 and signed on its behalf by:



.....  
Nathan Runnicles  
Director

## **QA Gateway Limited**

### **Statement of Directors' Responsibilities**

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 period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **QA Gateway Limited**

### **Independent Auditor's Report to the Members of QA Gateway Limited**

#### **Opinion**

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

- give a true and fair view of the state of the Company's affairs as at 31 May 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the Related Notes 1 to 12.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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.

## **QA Gateway Limited**

### **Independent Auditor's Report to the Members of QA Gateway Limited (continued)**

We have nothing to report in this regard.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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.

#### **Extent to which the audit was considered 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.

We considered the nature of the Company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

## **QA Gateway Limited**

### **Independent Auditor's Report to the Members of QA Gateway Limited (continued)**

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

#### **Report on other legal and regulatory requirements**

##### **Opinion on other matter 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.



.....  
Peter Saunders (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

28 November 2022

## QA Gateway Limited

### Income Statement for the Year Ended 31 May 2022

	Note	2022 £ m	2021 £ m
Other income	3	0.8	0.7
Interest payable and similar charges	4	<u>(1.9)</u>	<u>(1.7)</u>
Loss before tax		(1.1)	(1.0)
Tax on loss	5	<u>(0.1)</u>	<u>(0.1)</u>
Loss for the year		<u><u>(1.2)</u></u>	<u><u>(1.1)</u></u>

The above results were derived from continuing operations.

There was no other comprehensive income for the current or prior year. As such, no separate statement of other comprehensive income is presented.

## QA Gateway Limited

### Statement of Financial Position as at 31 May 2022

	Note	2022 £ m	2021 £ m
<b>Fixed assets</b>			
Investments: receivables owed by group undertakings		18.3	17.5
<b>Creditors: Amounts falling due within one year</b>	9	<u>(10.3)</u>	<u>(8.3)</u>
<b>Total assets less current liabilities</b>		8.0	9.2
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(5.7)</u>	<u>(5.7)</u>
<b>Net assets</b>		<u>2.3</u>	<u>3.5</u>
<b>Capital and reserves</b>			
Share capital	11	-	-
Retained earnings		<u>2.3</u>	<u>3.5</u>
<b>Shareholder's funds</b>		<u>2.3</u>	<u>3.5</u>

The financial statements of QA Gateway Limited (registered number 09761011) were approved by the Board and authorised for issue on 25 November 2022:



.....  
Nathan Runnicles  
Director

## QA Gateway Limited

### Statement of Changes in Equity for the Year Ended 31 May 2022

	Share capital £ m	Retained earnings £ m	Total £ m
At 1 June 2020	-	4.6	4.6
Loss for the year	-	(1.1)	(1.1)
Total comprehensive income	-	(1.1)	(1.1)
At 31 May 2021	-	3.5	3.5
	Share capital £ m	Retained earnings £ m	Total £ m
At 1 June 2021	-	3.5	3.5
Loss for the year	-	(1.2)	(1.2)
Total comprehensive loss	-	(1.2)	(1.2)
At 31 May 2022	-	2.3	2.3

## **QA Gateway Limited**

### **Notes to the Financial Statements for the Year Ended 31 May 2022**

#### **1 General information**

The principal activities are set out in the strategic report on page 2.

The Company is a private company limited by share capital, incorporated in the United Kingdom under the Companies Act 2006 and domiciled in England and Wales.

The address of its registered office is:

International House  
1 St Katharine's Way  
London  
Berkshire  
E1W 1UN  
United Kingdom

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The nature of the Company's operations and its principal activities are set out in the Strategic Report.

The functional and presentational 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.

## **QA Gateway Limited**

### **Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Summary of disclosure exemptions**

The Company meets the definition of a qualifying entity under FRS 100 "Application of Financial Reporting Requirements" issued by the FRC and has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

Where relevant, equivalent disclosures have been given in the group accounts of IndigoCyan Holdco 3 Limited and can be obtained as referenced in note 11.



## **QA Gateway Limited**

### **Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The Company is part of the Indigo Cyan Holdings Jersey Group which in turn owns the IndigoCyan Holdco 3 Limited Group ("the Group") and the Directors have considered the adoption of the going concern basis of preparation of these financial statements with consideration to the wider group position and its business model. The Group's positive trading progress and balance sheet strength in the year ended 31 May 2022 has allowed the Group to repay the revolving credit facility in full and fund the £25m acquisition of Circus Street from cash reserves. At year end the wider Group had cash of £53.2m and access to an undrawn £65m revolving credit facility.

The forecasting process undertaken by the Directors recognises the inherent uncertainty of the current economic environment where inflationary and recessionary risks are heightened by the continuing war in Ukraine. The Directors believe, given Group performance across the recent pandemic, that trading results will remain robust and that there are growth opportunities for the business to pursue. However, the Directors have assessed various revenue and cashflow scenarios that factor in the impact of an economic recession on the demand for the Group's services. The analysis confirmed the Group has sufficient liquidity and is forecast to comply with its financial covenants (which would only be tested if the revolving credit facility is drawn in excess of £25.0m).

The Group has funding arrangements with its banks, which include drawn term loans and an undrawn £65.0m revolving credit facility, in place until June 2024 and June 2023 respectively. On this basis, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing and approving these financial statements. In making this assessment, the Directors have considered the cash flow forecasts of the Group, the availability of financial resources and facilities and compliance with covenants. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

The Company has received a letter of support from IndigoCyan Holdco 3 Limited confirming committed funding for at least 12 months after signing these financial statements.

As a result of the Company disposing of its trading activities in 2020, the financial statements for 2020 and 2021 were prepared on a basis other than a going concern. The Company now exists as an intermediate holding company with the majority of its assets and liabilities being amounts due from and to other group companies and preference shares held by other group companies. On this basis, having considered the position of the wider group, of which the Company is part, the financial statements have been prepared on a going concern basis.

##### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 June 2021 have had a material effect on the financial statements.

## **QA Gateway Limited**

### **Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)**

#### **2 Accounting policies (continued)**

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting period beginning on or after 1 June 2022. The Company has elected not to early adopt these standards which are described below:

- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16); and
- Annual Improvements to IFRS Standards 2018- 2020.

The above are not expected to have a material impact on the financial statements. There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

During the year the Company or the wider Group in which it has investments has adopted the following amendments and interpretations which have not had a material effect on the financial statements.

- Interest rate benchmark reform (Amendments to IFRS 9 and IFRS 7);
- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16);
- IFRS 17 Insurance Contract;
- Classification of Liabilities as Current or Non-Current (amendments to IAS1);
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use; and
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture.

#### **Finance income and costs**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Finance costs which are directly attributable to interest bearing bank loans are capitalised as part of the cost of that financial liability. Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

#### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

## **QA Gateway Limited**

### **Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Expected credit loss**

The Group recognised an ECL (Expected Credit Loss) for inter-company receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Credit losses are recognised as being the ECL within 12 months of the reporting date unless there has been a significant increase in credit risk, in which case lifetime credit losses are recognised. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### **Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Preference share capital is treated as debt instruments, and the policy applied is that for financial instruments in the financial instruments section below.

##### **Financial instruments**

###### **Initial recognition**

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding tangible assets, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The Company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

## QA Gateway Limited

### Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)

#### 2 Accounting policies (continued)

##### Classification and measurement

###### Financial liabilities at amortised cost

All financial liabilities, other than those classified as financial liabilities at fair value through profit and loss (FVTPL), are measured at amortised cost using the effective interest rate method.

###### Financial liabilities at fair value through the profit or loss

Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

##### Derecognition

###### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

##### Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of certain financial assets, liabilities, income and expenses.

In the application of the Company's accounting policies described 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 key estimates and associated assumptions are explained in the individual accounting policies above and 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. There are no significant judgements or estimates in the production of the financial statements.

#### 3 Other interest receivable and similar income

	2022 £ m	2021 £ m
Interest receivable on loans to group undertakings	0.8	0.7

#### 4 Interest payable and similar charges

	2022 £ m	2021 £ m
Interest payable on preference shares	1.9	1.7

## QA Gateway Limited

### Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)

#### 5 Income tax

Tax charged in the income statement

	2022 £ m	2021 £ m
UK corporation tax	0.1	0.1
Deferred taxation	-	-
Tax in the income statement	<u>0.1</u>	<u>0.1</u>

The tax on profit before tax for the year differs from the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	2022 £ m	2021 £ m
Loss before tax	<u>(1.1)</u>	<u>(1.0)</u>
Corporation tax at standard rate	(0.2)	(0.2)
Expenses not deductible in determining taxable profit	<u>0.3</u>	<u>0.3</u>
Total tax charge	<u>0.1</u>	<u>0.1</u>

Factors affecting future tax charges

The Company had no deferred tax assets or liabilities as at 31 May 2022 (2021: £nil). The Budget in March 2021 announced that the main rate of UK Corporation Tax would increase to 25% from 1 April 2023. There was no change in tax credits, and no changes are expected to impact deferred tax in future periods. The Finance Bill 2021 included the requisite legislation to enact this rate change and was substantively enacted on 24 May 2021.

#### 6 Directors' remuneration

The Directors received no remuneration for their services to the Company.

#### 7 Auditor's remuneration

	2022 £'000	2021 £'000
Audit of the financial statements settled on behalf of the Company by QA Limited	<u>3</u>	<u>3</u>

## QA Gateway Limited

### Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)

#### 8 Investments

	2022	2021
	£ m	£ m
Receivables owed by Group undertakings	<u>18.3</u>	<u>17.5</u>

Receivables owed by Group undertakings are unsecured and repayable on demand, but the Directors consider that the recovery in the short-term is remote and accordingly have classified these balances as investments.

#### 9 Creditors: amounts falling due within 1 year

	2022	2021
	£ m	£ m
Amounts payable to group undertakings	1.2	1.1
Income tax liability	0.2	0.1
Preference share dividends payable	<u>8.9</u>	<u>7.1</u>
	<u>10.3</u>	<u>8.3</u>

Amounts due to or from Group undertakings do not accrue interest and are repayable on demand.

#### 10 Creditors: amounts falling due after 1 year

	2022	2021
	£ m	£ m
Preference shares	<u>5.7</u>	<u>5.7</u>

The redeemable preference shares accrue interest at 15% per annum (2021: 15%). They are treated as debt instruments and are repayable on the date of an exit event.

## QA Gateway Limited

### Notes to the Financial Statements for the Year Ended 31 May 2022 (continued)

#### 11 Share capital

##### Authorised, allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary 'A' Shares of £0.10 each of £0.10 each	80,000	8,000	80,000	8,000
Ordinary 'B' Shares of £0.10 each of £0.10 each	15,000	1,500	15,000	1,500
Ordinary 'C' Shares of £0.10 each of £0.10 each	5,000	500	5,000	500
	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>

##### Redeemable preference shares

The 5,700,000 Preference shares of £1 each are redeemable. They are redeemable at £1 per share and carry no voting rights.

#### 12 Parent and ultimate parent undertaking

The Company's immediate parent is Seckloe 208 Limited.

The Directors regard IndigoCyan Holdings Jersey Limited, a company registered in Jersey, through its holding of 85% of the voting rights of IndigoCyan Topco Limited as the ultimate holding company. IndigoCyan Holdings Jersey Limited is controlled by funds managed by CVC Capital Partners VI.

The only parent entity producing publicly available financial statements in which the Company is consolidated is IndigoCyan Holdco 3 Limited. These financial statements are available on the Group's website [www.qa.com](http://www.qa.com).

The registered address of IndigoCyan Holdco 3 Limited is:  
27 Esplanade, St Helier, Jersey, JE1 1SG