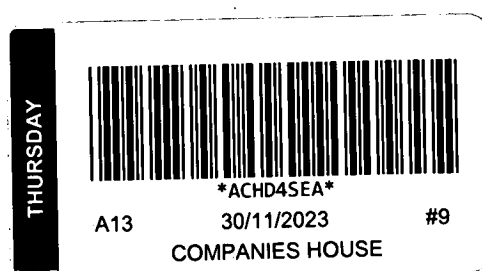


Alcumus Group Limited

Annual report and financial statements

Registered number 09793309

For the year ended 31 December 2022



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Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2022 for Alcumus Group Limited (“the company”).

Principal activities

The Company and its subsidiaries within the Dragon UK Holdco Limited group (the “Group”) trade as ‘Alcumus’. The company’s operations are not relevant in isolation of a review of the Group’s operations, which are set out within the consolidated financial statements of Dragon UK Holdco Limited.

The principal activity of the company is that of a holding company.

Alcumus is a market-leading provider of technology-enabled compliance risk management and certification services, supporting both UK and International clients with their testing, inspection and certification and governance, risk and compliance strategies.

Business review and key performance indicators

As a holding company, the company does not trade. Net assets at 31 December 2022 were £27,670,000 (2021: £787,000) and net current assets were £16,000 (2021: £16,000). The financial statements have been prepared on a going concern basis for the reasons set out in note 1 to the financial statements.

Principal risks and uncertainties

The company’s performance is subject to risks and uncertainties within the wider group. Principal among these is a decline in the number of businesses requiring compliance or certification services in addition to adverse changes in the regulatory or commercial environment.

In mitigation of such risks, the group keeps under continuous review the relevance of its products and services to the prevailing regulatory and commercial environments. These risks are also mitigated through the Groups’ strategy of multi-year subscription periods and service revenue cycles.

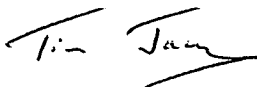
Financial risk management

As a holding company, the operating risks of the company are largely related to the performance of the subsidiary companies however it is exposed to some financial risks that include the effects of changes in liquidity risk.

Liquidity risk

Alcumus manages liquidity across the group through regular review of cash requirements to ensure each company has sufficient available funds for operating requirements.

By order of the board



T Jackson
Director

24 November 2023

Axys House
Heol Crochendy, Parc Nantgarw
Cardiff
CF15 7TW

Directors' report

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

Proposed dividend

The Directors do not recommend the payment of a dividend (2021: £nil).

Directors and Directors' interests

The Directors who held office during the year and up to date of signing the financial statements were as follows:

A Franklin
T Jackson
M Williams (resigned 8 March 2022)
NW Rosenberg (resigned 8 March 2022)
BAR Sciard (resigned 8 March 2022)
S Ferrarini (resigned 8 March 2022)

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

Secretary

S James (appointed 31 October 2022)
S Chetri (resigned on 31 October 2022)

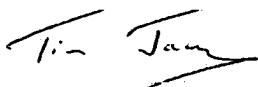
Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



T Jackson
Director

Axys House
Heol Crochendy, Parc Nantgarw
Cardiff
CF15 7TW

24 November 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCUMUS GROUP LIMITED

Opinion

We have audited the financial statements of Alcumus Group Limited ("the company") for the year ended 31 December 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

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 result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCUMUS GROUP LIMITED *(continued)*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not have a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCUMUS GROUP LIMITED *(continued)*

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCUMUS GROUP LIMITED *(continued)*

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Jeremy Thomas (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

24 November 2023

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2022

	<i>Note</i>	2022 £000	2021 £000
Administrative expenses	2-3	-	(1)
Operating loss, being loss before tax		-	(1)
Tax on loss	4	-	-
Loss for the financial year, being total comprehensive loss		-	(1)

The notes form an integral part of these financial statements.

Balance Sheet
at 31 December 2022

	<i>Note</i>	2022	2021
		£000	£000
Fixed assets			
Investments	5	27,654	771
Current assets			
Debtors	6	2,309	2,346
Creditors: amounts falling due within one year	7	(2,293)	(2,330)
Net current assets		16	16
Net assets		27,670	787
Capital and reserves			
Called up share capital	8	18	18
Share premium	8	28,374	1,491
Capital redemption reserve	8	-	4
Own share reserve	8	-	(400)
Profit and loss account		(722)	(326)
Shareholder's funds		27,670	787

These financial statements were approved by the board of Directors on 24 November 2023 and were signed on its behalf by:



T Jackson
Director

Company registered number: 09793309

The notes form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 December 2022

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Own share reserve £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 1 January 2021	18	1491	4	-	(325)	1,188
Transactions with shareholders, recorded directly in equity						
Own shares acquired	-	-	-	(400)	-	(400)
Total transactions with shareholders, recorded directly in equity	-	-	-	(400)	-	(400)
Comprehensive income for the financial year						
Loss for the financial year	-	-	-	-	(1)	(1)
Total comprehensive loss for the financial year	-	-	-	-	(1)	(1)
At 31 December 2021	18	1,491	4	(400)	(326)	787

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Own share reserve £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 1 January 2022	18	1,491	4	(400)	(326)	787
Transactions with shareholders, recorded directly in equity						
Issue of shares	-	26,883	-	-	-	26,883
Transfer reserves to profit and loss	-	-	(4)	400	(396)	-
Total transactions with shareholders, recorded directly in equity	-	26,883	(4)	400	(396)	26,883
Comprehensive income for the financial year						
Loss for the financial year	-	-	-	-	-	-
Total comprehensive loss for the financial year	-	-	-	-	-	-
At 31 December 2022	18	28,374	-	-	(722)	27,670

The notes form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Alcumus Group Limited (the “Company”) is a private company incorporated, domiciled and registered in England and Wales. The registered number is 09793309 and the registered address is Axys House, Heol Crochendy, Parc Nantgarw, Cardiff, CF15 7TW.

The Company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s intermediate parent undertaking, Dragon UK Holdco Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Dragon UK Holdco Limited are available to the public and may be obtained from Axys House, Heol Crochendy, Parc Nantgarw, Cardiff, CF15 7TW.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Dragon UK Holdco Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 10.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors have considered the use of the going concern basis in the preparation of the financial statements and have concluded that it is appropriate at the date of signing the financial statements for the following reasons.

The Company is an intermediate holding company within the Dragon UK Holdco Limited group, which collectively trades as ‘Alcumus’. The Company and its activities are completely aligned with that of the Group. The forecasts for the Group indicate that, even after taking account of reasonably possible downsides, the Group will continue its positive EBITDA performance and generate positive operating cash flows in the forthcoming financial year and for the foreseeable future. As a result, the Group is expected to remain in full compliance with its loan covenants and to be able to meet its financial obligations as they fall due.

The Company is not expected to generate any further liabilities for at least 12 months from the date of approval of the financial statements, therefore the directors have prepared the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

1.4 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Expenses and auditor's remuneration

Included in profit are the following:

	2022 £000	2021 £000
<i>Auditor's remuneration borne by the parent company</i>		
Audit of these financial statements	3	5

3 Staff costs and Directors' remuneration

The company has no employees.

The Directors received no remuneration from the company during the year. This is on the basis that the Directors' remuneration has been borne by another group company.

Remuneration of Directors in respect of qualifying services for the company is estimated to be £nil (2021: £nil).

4 Taxation

Total tax expense recognised in the profit and loss account:

	2022 £000	2021 £000
<i>Current tax</i>		
Current tax on income for the period	-	-
Total current tax	-	-
Total deferred tax	-	-
Total tax	-	-

Notes (continued)

4 Taxation (continued)

Reconciliation of effective tax rate:

	2022 £000	2021 £000
Profit for the period	-	(1)
Total tax expense	-	-
	<hr/>	<hr/>
Profit excluding taxation	-	(1)
Tax using the UK corporation tax rate of 19% (2020: 19%)	-	-
	<hr/>	<hr/>
Total tax expense included in profit or loss	-	-
	<hr/>	<hr/>

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

5 Fixed asset investments

	Shares in group undertakings £000
Cost at 1 January 2022	771
Additions	26,883
	<hr/>
Cost at 31 December 2022	27,654
	<hr/>
Impairment at 1 January 2022 and 31 December 2022	-
	<hr/>
Net book value at 31 December 2022	27,654
	<hr/>
Net book value at 31 December 2021	771
	<hr/>

On 28 September 2022 the company made an additional investment in its existing subsidiary, Alcumus Midco Limited, of £26,883,000.

In the opinion of the Directors, the investment in its subsidiary undertaking is not worth less than the value shown in the financial statements.

Notes (continued)

5 Fixed asset investments (continued)

The following were subsidiary undertakings of the company at the year-end (* means that the investment is held directly by the company):

Name	Registered office address	Company number	Principal activity	Ordinary shares held
Alcumus Midco Limited	Note 1	09794154	Holding company	100%*
Alcumus PIKco Topco Limited	Note 1	13892165	Holding company	100%
Alcumus PIKco Midco Limited	Note 1	13087054	Holding company	100%
Alcumus PIKco Bidco Limited	Note 1	13087002	Holding company	100%
Alcumus Bidco Limited	Note 1	09794274	Holding company	100%
Alcumus Holdings Limited	Note 1	06955372	Holding company	100%
Alcumus Isoqar Limited	Note 1	02637608	Certification services	100%
Alcumus Safeworkforce Limited	Note 1	02603010	Accreditation	100%
Alcumus Safecontractor Limited	Note 1	7618138	Accreditation	100%
Alcumus ContractorCheck Inc	Note 2	n/a	Accreditation	100%
Service d'Intervention Sur Mesure Inc.	Note 3	n/a	Accreditation	100%
Cognibox Inc.	Note 3	n/a	Accreditation	100%

Note 1) The registered office address of these entities is Axys House, Heol Crochendy, Parc Nantgarw, Cardiff, CF15 7TW

Note 2) The registered office address of these entities is 111 Queen Street East, Toronto, Ontario, M5C 1S2, Canada

Note 3) The registered office address of this entity is 528, 5e rue de la Pointe, Shawinigan, QC, G9N 1E8, Canada

6 Debtors

	2022 £000	2021 £000
Amounts owed by group undertakings	2,284	2,321
Other debtors	25	25
	<u>2,309</u>	<u>2,346</u>

Amounts owed by group undertakings have no fixed repayment date and no interest is applied.

7 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group undertakings	1,881	2,318
Bank and loan interest	8	8
Other creditors	404	4
	<u>2,293</u>	<u>2,330</u>

Amounts owed to group undertakings have no fixed repayment date and no interest is applied.

Notes (continued)

8 Capital and reserves

Share capital

	2022 £000	2021 £000
<i>Allotted, called up and fully paid</i>		
1,173,711 (2021: 1,173,710) A ordinary shares of £0.01 each	12	12
16,266 (2021: 16,266) B1 ordinary shares of £0.20 each	3	3
21,041 (2021: 21,041) B2 ordinary shares of £0.01 each	-	-
63,250 (2021: 63,250) C1 ordinary shares of £0.015 each	1	1
182,897 (2021: 175,543) C2 ordinary shares of £0.01 each	2	2
	<hr/> 18	<hr/> 18
	<hr/> <hr/>	<hr/> <hr/>

Ordinary A shares have equal rights in respect of voting, dividends and distributions attached to all shares. Ordinary A shares are non-redeemable.

Ordinary B1 shares have equal rights in respect of voting (subject to a maximum of 5% of total votes) in accordance with the provisions of Article 14.3 of the company's Articles of Association. These shares have equal rights in respect of dividends and they also rank immediately after the 'A' shares on a distribution of capital. Ordinary B1 shares are non-redeemable.

Ordinary B2 shares have equal rights in respect of voting in accordance with the provisions of Article 14.3 of the company's Articles of Association. These shares have equal rights in respect of dividends and they also rank immediately after the 'A' shares on a distribution of capital. Ordinary B2 shares are non-redeemable.

Ordinary C1 shares have equal rights in respect of voting (subject to a maximum of 5% of total votes) in accordance with the provisions of Article 14.3 of the company's Articles of Association. These shares have equal rights in respect of dividends and they rank immediately after the 'B' shares on a distribution of capital. Ordinary C1 shares are non-redeemable.

Ordinary C2 shares have equal rights in respect of voting in accordance with the provisions of Article 14.3 of the company's Articles of Association. These shares have equal rights in respect of dividends and they also rank immediately after the 'B' shares on a distribution of capital. Ordinary C2 shares are non-redeemable.

The C1 and C2 ordinary shares no longer benefit from a ratchet mechanism which provided an enhanced return above a certain target return for the holders of A ordinary shares on an Exit. In addition, a put right in favour of the C1 and C2 ordinary shares has been removed due to the cessation of the Employee Shareholder Scheme.

7,204 C2 ordinary shares of £0.01 each were issued to management on 5 January 2022. No share premium arose.

150 C2 ordinary shares of £0.01 each were issued on 14 January 2022. No share premium arose.

One A ordinary share of £0.01 was issued on 9 March 2022 for £26,882,577, giving rise to share premium of £26,882,577.

Capital redemption reserve

Includes amounts transferred following the redemption or purchase of own shares. During the year the balance of the capital redemption reserve was transferred to the profit and loss account.

Notes (continued)

8 Capital and reserves (continued)

Own share reserve

The company has previously acquired shares through the Employee Benefit Trust (EBT). In 2021 The EBT paid certain existing shareholders a price of £30.36 per share representing the value of the shares. This resulted in a £400,000 increase to the own share reserve.

The own share reserve was to be held within equity until the future sale of the business at which point it was to be recovered and recycled into distributable reserves.

The Group was sold to Apax Partners LLP in March 2022. The own share reserve balance of £400,000 was recovered and recycled into distributable reserves.

9 Ultimate parent company and parent company of larger group

The company's immediate parent undertaking is Dragon UK Bidco Limited.

The company's intermediate parent undertaking is Dragon UK Holdco Limited, which is the parent undertaking of the only group to consolidate these financial statements. Copies of the Dragon UK Holdco Limited financial statements can be obtained from Axys House, Heol Crochendy, Parc Nantgarw, Cardiff, CF15 7TW.

At the date of approval of these financial statements, the ultimate holding company is Apax X GP Co. Limited. The ultimate controlling party are funds managed, advised or controlled by Apax Partners by virtue of their majority shareholding.

10 Estimates and judgements

In the application of the company's accounting policies, which are described in note 1, 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. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical accounting judgements in applying the company's accounting policies:

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations (which are dealt with separately below), that have had a significant effect on the amounts recognised in the financial statements.

Source of estimation uncertainty and judgements involving estimations:

The company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notwithstanding this, as significant balances are the company's investment in its subsidiary undertakings and the company's intercompany debtors, management undertake an annual review to identify the occurrence of events or changes in circumstances that indicate that the carrying amount of any investments or intercompany debtors may not be recoverable. Where indicators are present a full impairment test will be carried out, this testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.