

Registered number: 11051394

**PROJECT SEATTLE TOPCO LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 JULY 2020**



## **PROJECT SEATTLE TOPCO LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	M D Wardell T O'Brien T Righton
<b>Registered number</b>	11051394
<b>Registered office</b>	Hampshire House Hampshire Corporate Park Templars Way Chandler's Ford Eastleigh England SO53 3RY
<b>Independent auditor</b>	KPMG LLP Chartered Accountants 1 Sovereign Square Sovereign Street Leeds LS1 4DA

## **PROJECT SEATTLE TOPCO LIMITED**

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## **PROJECT SEATTLE TOPCO LIMITED**

### **GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 JULY 2020**

#### **Introduction**

The directors present their strategic report, directors' report and the financial statements for the period ended 31 July 2020.

#### **Principal activities and review of the business**

Giacom World Networks (the Group's only trading entity) is a market-leading cloud solution provider, whose principal activity is the provision of cloud software solutions to the SMB sector through its base of IT resellers.

The Group serves the UK market through the Cloud.market platform, complemented by best-in-class customer support, from a single location.

During the year under review, further progress in the capability of Cloud.market has seen a record level of growth, with revenue continuing to grow strongly to £48.9m (2019 - £35.5m), and adjusted EBITDA growing by 16% to £6.0m (2019 - £4.95m).

The breadth and capability of services offered has further increased during the year to complement the core Microsoft offering. This has allowed the Group's network of IT resellers to support and grow the end customer base of c70,000 SMBs, supporting their remote working and improved productivity through the provision of leading cloud software solutions.

Adoption of cloud-based services has continued to increase during the year as a result of heightened awareness, and due to the impact of the Covid-19 pandemic in the second half of the year.

The continued strong growth in the business has seen headcount grow to 71 heads (2019 - 67).

The Group's leading market position continues to be recognised with several awards, including the Sunday Times Tech Track 100 where the Group was ranked 47th, and ranking top in Business Insider's fastest growing businesses in Yorkshire.

In October 2019, the Group refinanced its existing senior loan facility, extending the term to 2024-25 and increasing the amount to £17.5m. The increase in debt was used to partially repay existing loan notes, the term of which was extended. This significantly reduced the Group's interest cost on an ongoing basis. On 18 November 2020 the bank loan and all loan notes and accrued interest were repaid, on the Group's acquisition by Daisy Bidco Limited.

## PROJECT SEATTLE TOPCO LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2020

#### COVID-19

The Group's overriding concern is the health, safety and wellbeing of our colleagues, customers and partners. We have complied, and continue to comply, with all relevant UK government recommendations and the vast majority of our colleagues have been working remotely and effectively since March 2020, continuing to provide outstanding service to our customers. This has been enabled by our colleagues' attitude and approach.

During the COVID-19 pandemic, sales have remained highly robust, with an increased level of growth noted immediately prior to lockdown as our customers' SMB end organisations moved to cloud solution software enabled by the Group to enable remote working. The nature of our business has meant that we could continue to provide these services with no disruption.

Our cash collection performance has remained strong with no significant impact arising from the impact of COVID-19 on our customer base and no significant impact on our bad and doubtful debt provision.

With no major impact on our operations or performance, we are pleased not to have needed to use the Government's employee furlough schemes. We have, as a precaution to enhance liquidity, deferred VAT payments of £4.23m as permitted under HMRC's COVID-19 legislation.

Our trading performance between the pandemic outbreak and the date of these accounts has proved to be highly resilient, with the nature of our connected user base inherently less impacted by the shorter term impact of COVID-19. Our business model and highly distributed customer base places us well to respond to future challenges related to the pandemic and related risks which are outside of our control, such as the impact to the wider UK economy. To date we have seen minimal signs of distress within our customer base.

#### Principal risks and uncertainties

Project Seattle Topco Limited has a risk management process to identify, evaluate, manage and mitigate significant risks. Regular review of the risk register forms a key part of senior management meetings.

##### **Market risks**

The Group has a level of dependency on a key supplier but this is managed by a strong level of sales performance meaning the Group is recognised as a top partner for the supplier. This supplier's core offering is complemented by the provision of products from a number of additional partners, to give a rich service offering to end customers.

The Group provides services to SMEs with less than 250 employees and with a sweet spot of less than 50 employees. This area of the market is more difficult to address and accordingly has a reduced level of competitive intensity. Continued investment in the Cloud.market platform, and related service and product capability acts as a further strengthening of the group's competitive positioning.

##### **Operational risks**

The Group has seen a high level of growth in recent years with a significant increase in headcount. This increases the risk of recruitment of the right quality of individual, which the Directors keep under ongoing review. Investment has been made in the period in building out the number and quality of the senior management team.

##### **Liquidity risks**

The Group has a high level of recurring revenue over a well-distributed customer base and a positive working capital cycle. Accordingly there is a good visibility of cashflow which is managed through ongoing cash forecast and review. The Group has significant cash balances and structured debt facilities. The Group has net liabilities of £12,526,693 and net current liabilities of £10,466,521 due to £6,030,000 of deferred interest relating to long term loan notes, £3,619,000 of deferred revenue and £4,238,000 of deferred VAT liabilities. The interest was repaid on the 18 November 2020 as part of the acquisition by Daisy Bidco Limited.

##### **Brexit risks**

The Group has no direct exposure to foreign currency fluctuation and trades almost exclusively within the UK. The Directors continue to review Brexit-related developments but at the current time do not consider Brexit to be a principal risk.

## PROJECT SEATTLE TOPCO LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2020

#### Future developments

The Directors anticipate further growth in the coming year as adoption of cloud software continues and additional products are added to the portfolio, to provide an increasingly rich customer product offering within a growing market.

#### Research and development

The Group continues to invest in research and development. This has resulted in improvements in the cloud marketplace and products which will benefit the Group in the short, medium and long term. Costs in respect of this have been capitalised in the balance sheet. The amount of development costs capitalised in the period was £1.103m (2019 - £794,000).

#### Going concern

The Group has sufficient financial resources together with recurring revenue streams across a wide base of customers. As a consequence the directors believe that the Group is well placed to manage its business risks successfully. Thus they continue to adopt the going concern basis in preparing the financial statements.

#### Subsequent Events

On 18 November 2020, the whole issued share capital of the Company was acquired by Daisy Bidco Limited.

#### Directors' statement of compliance with duty to promote the success of the Group under s172

The Board recognises the requirement to promote the success of the company for the success of its members as a whole, and its duty to consider the needs and concerns of key stakeholders during discussions and decision-making. Material decisions taken in the year include the refinancing of the group's debt; approval of the budget for FY21; and a decision to commence a process of sale of the group of Giacom companies.

In making these significant decisions, the Board took conscious steps to identify and take account of the potential impact on key stakeholder groups (including shareholders, employees, suppliers and customers) and concluded that anticipated outcomes of decisions taken were aligned with promoting the success of the company for the benefit of its members.

#### Financial key performance indicators

Management information is reported monthly including Income Statement, Balance Sheet and Cashflow, and compared to budget and prior year, with key variances reviewed. Adjusted EBITDA is the key measure used by management and the Directors to monitor the performance of the company.

	2020	2019
Revenue	£48.9m	£35.5m
Gross Profit	£9.7m	£8.2m
Adjusted EBITDA	£6.0m	£4.9m

Adjusted EBITDA is defined as Operating Profit before Depreciation, Amortisation and Exceptional costs and is reconciled to operating loss as shown below.

PROJECT SEATTLE TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 JULY 2020

	2020 £	2019 £
Operating loss analysed as:		
Adjusted EBITDA	6,028,239	4,947,247
Exceptional costs	(490,293)	(724,564)
Depreciation of property, plant and equipment	(440,871)	(403,012)
Amortisation of intangible assets	(5,843,552)	(5,746,738)
	<u>(746,477)</u>	<u>(1,927,067)</u>

Overall the Directors are satisfied with the group's continued development and trading performance during the year and will continue to develop the existing activities of the group.

This report was approved by the board and signed on its behalf.



**M D Wardell**  
Director

Date: 29/4/2021

## **PROJECT SEATTLE TOPCO LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JULY 2020**

The directors present their report and the financial statements for the period ended 31 July 2020.

#### **Results and dividends**

The loss for the period, after taxation, amounted to £4,926,885 (2019 - loss £5,359,432).

#### **Directors**

The directors who served during the period were:

G M Gilbert (appointed 2 December 2019, resigned 18 November 2020)  
J M Godber (appointed 20 January 2020, resigned 18 November 2020)  
J E Moore (appointed 20 January 2020, resigned 18 November 2020)  
A S Holloway (resigned 18 November 2020)  
S D Law (resigned 18 November 2020)  
D Manning (resigned 18 November 2020)  
M D Wardell  
A Ul-Haq (appointed 2 December 2019, resigned 18 November 2020)  
R S Smith (appointed 2 December 2019, resigned 18 November 2020)  
K A Bayley (resigned 2 December 2019)  
S Hollingsworth (resigned 2 December 2019)

#### **Future developments**

The directors are forecasting cloud adoption increases to continue as businesses continue the move away from on-premise solutions which in addition to more cloud services being deployed provide a richer application set for business and contribution to market growth.

#### **Qualifying third party indemnity provisions**

The Company has put in place qualifying third party indemnity provisions for all of the directors of Project Seattle Bidco Limited.

#### **Matters covered in the strategic report**

Information is not shown in the directors' report because it is shown in the strategic report instead under S414C (11). The strategic report includes a business review, principal risks and uncertainties and financial key performance indicators.

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

Each of the persons who is a Director at the time when this Directors' Report is approved has confirmed that:

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

#### **Post balance sheet events**

On 18 November 2020, the whole issued share capital of the Company was acquired by Daisy Bidco Limited.

#### **Auditor**

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.



**PROJECT SEATTLE TOPCO LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 JULY 2020**

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'M D Wardell', with a stylized flourish at the end.

**M D Wardell**  
Director

Date: 29/4/2021

## PROJECT SEATTLE TOPCO LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 group and parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

## PROJECT SEATTLE TOPCO LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROJECT SEATTLE TOPCO LIMITED

#### Opinion

We have audited the financial statements of Project Seattle Topco Limited ("the company") for the year ended 31 July 2020 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group statement of Cash Flows, the Group and Company Statements of Changes in Equity and related notes, including a summary of significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 July 2020 and of the Group's loss 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 group 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 group or the company or to cease their operations, and as they have concluded that the group and 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 their 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue in operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

## **PROJECT SEATTLE TOPCO LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROJECT SEATTLE TOPCO LIMITED (CONTINUED)**

#### **Strategic report and director's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 7, 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 group and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **PROJECT SEATTLE TOPCO LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROJECT SEATTLE TOPCO 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](http://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.



**John Pass (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA  
Date: 29 April 2021

**PROJECT SEATTLE TOPCO LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 JULY 2020**

	Note	2020 £	2019 £
Turnover	4	48,890,553	35,466,435
Cost of sales		(39,228,986)	(27,261,110)
<b>Gross profit</b>		<b>9,661,567</b>	8,205,325
Administrative expenses		(10,408,045)	(10,132,392)
<b>Operating loss</b>	5	<b>(746,478)</b>	(1,927,067)
Interest payable and expenses	10	(3,755,169)	(3,870,281)
<b>Loss before taxation</b>		<b>(4,501,647)</b>	(5,797,348)
Tax on loss	11	(425,238)	437,916
<b>Loss for the financial period</b>		<b>(4,926,885)</b>	(5,359,432)
<b>Loss for the period attributable to:</b>			
Owners of the parent Company		(4,926,885)	(5,359,432)
		<b>(4,926,885)</b>	<b>(5,359,432)</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 19 to 37 form part of these financial statements.

	2020 £	2019 £
<b>Operating loss analysed as:</b>		
Adjusted EBITDA	6,028,239	4,947,247
Exceptional costs	(490,293)	(724,564)
Depreciation of property, plant and equipment	(440,871)	(403,012)
Amortisation of intangible assets	(5,843,552)	(5,746,738)
	<b>(746,477)</b>	<b>(1,927,067)</b>

**PROJECT SEATTLE TOPCO LIMITED**  
**REGISTERED NUMBER: 11051394**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	12	33,325,533	38,066,096
Tangible assets	13	976,046	1,114,605
		<u>34,301,579</u>	<u>39,180,701</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	7,696,757	5,721,791
Cash at bank and in hand	16	8,721,510	5,791,332
		<u>16,418,267</u>	<u>11,513,123</u>
Creditors: amounts falling due within one year	17	(26,884,788)	(18,025,903)
<b>Net current liabilities</b>		<u>(10,466,521)</u>	<u>(6,512,780)</u>
<b>Total assets less current liabilities</b>		<u>23,835,058</u>	<u>32,667,921</u>
Creditors: amounts falling due after more than one year	18	(33,089,320)	(36,983,991)
<b>Provisions for liabilities</b>			
Deferred tax	21	(3,272,431)	(3,303,338)
<b>Net liabilities</b>		<u>(12,526,693)</u>	<u>(7,619,408)</u>
<b>Capital and reserves</b>			
Called up share capital	20	24,797	24,794
Share premium account		87,367	67,770
Capital redemption reserve		1,466	1,466
Profit and loss account		(12,640,323)	(7,713,438)
<b>Equity attributable to owners of the parent Company</b>		<u>(12,526,693)</u>	<u>(7,619,408)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**M D Wardell**  
Director

Date: 29/4/2021

The notes on pages 19 to 37 form part of these financial statements.

**PROJECT SEATTLE TOPCO LIMITED**  
**REGISTERED NUMBER: 11051394**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	14	1	1
		<u>1</u>	<u>1</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	121,076	95,808
		<u>121,076</u>	<u>95,808</u>
Creditors: amounts falling due within one year	17	(32,668)	(32,668)
		<u>(32,668)</u>	<u>(32,668)</u>
<b>Net current assets</b>		<b>88,408</b>	<b>63,140</b>
<b>Total assets less current liabilities</b>		<b>88,409</b>	<b>63,141</b>
<b>Net assets</b>		<b>88,409</b>	<b>63,141</b>
<b>Capital and reserves</b>			
Called up share capital	20	24,797	24,794
Share premium account		87,367	67,770
Capital redemption reserve		1,466	1,466
Profit and loss account carried forward		(25,221)	(30,889)
		<u>88,409</u>	<u>63,141</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**M D Wardell**  
Director

Date: 29/4/2021

The notes on pages 19 to 37 form part of these financial statements.



PROJECT SEATTLE TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JULY 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 August 2019	24,794	67,770	1,466	(7,713,438)	(7,619,408)	(7,619,408)
<b>Comprehensive income for the period</b>						
Loss for the period	-	-	-	(4,926,885)	(4,926,885)	(4,926,885)
<b>Total comprehensive income for the period</b>	-	-	-	(4,926,885)	(4,926,885)	(4,926,885)
Shares issued during the period	3	19,597	-	-	19,600	19,600
<b>Total transactions with owners</b>	3	19,597	-	-	19,600	19,600
<b>At 31 July 2020</b>	<b>24,797</b>	<b>87,367</b>	<b>1,466</b>	<b>(12,640,323)</b>	<b>(12,526,693)</b>	<b>(12,526,693)</b>

The notes on pages 19 to 37 form part of these financial statements.

PROJECT SEATTLE TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JULY 2019

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 August 2018	24,757	69,969	-	(2,323,534)	(2,228,808)	(2,228,808)
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	(5,359,432)	(5,359,432)	(5,359,432)
<b>Total comprehensive income for the year</b>	-	-	-	(5,359,432)	(5,359,432)	(5,359,432)
Shares issued during the year	1,503	-	-	-	1,503	1,503
Shares cancelled during the year	(1,466)	-	-	-	(1,466)	(1,466)
Purchase of own shares	-	(2,199)	1,466	(30,472)	(31,205)	(31,205)
<b>Total transactions with owners</b>	37	(2,199)	1,466	(30,472)	(31,168)	(31,168)
<b>At 31 July 2019</b>	<b>24,794</b>	<b>67,770</b>	<b>1,466</b>	<b>(7,713,438)</b>	<b>(7,619,408)</b>	<b>(7,619,408)</b>

The notes on pages 19 to 37 form part of these financial statements.

PROJECT SEATTLE TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JULY 2020

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 August 2019	24,794	67,770	1,466	(30,889)	63,141
<b>Comprehensive income for the year</b>					
Profit for the period	-	-	-	5,668	5,668
<b>Total comprehensive income for the period</b>	-	-	-	5,668	5,668
<b>Contributions by and distributions to owners</b>					
Shares issued during the period	3	19,597	-	-	19,600
<b>Total transactions with owners</b>	3	19,597	-	-	19,600
<b>At 31 July 2020</b>	<b>24,797</b>	<b>87,367</b>	<b>1,466</b>	<b>(25,221)</b>	<b>88,409</b>

The notes on pages 19 to 37 form part of these financial statements.

PROJECT SEATTLE TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JULY 2019

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 August 2018	24,757	69,969	-	(6,068)	88,658
<b>Comprehensive income for the year</b>					
Loss for the period	-	-	-	5,651	5,651
<b>Total comprehensive income for the year</b>	-	-	-	5,651	5,651
<b>Contributions by and distributions to owners</b>					
Shares issued during the period	1,503	-	-	-	1,503
Shares cancelled during the year	(1,466)	-	-	-	(1,466)
Purchase of own shares	-	(2,199)	1,466	(30,472)	(31,205)
<b>Total transactions with owners</b>	37	(2,199)	1,466	(30,472)	(31,168)
<b>At 31 July 2019</b>	<b>24,794</b>	<b>67,770</b>	<b>1,466</b>	<b>(30,889)</b>	<b>63,141</b>

The notes on pages 19 to 37 form part of these financial statements.

**PROJECT SEATTLE TOPCO LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 JULY 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Loss for the financial period	(4,926,885)	(5,359,432)
<b>Adjustments for:</b>		
Amortisation of intangible assets	5,843,552	5,746,738
Depreciation of tangible assets	440,871	403,012
Interest paid	3,755,168	3,725,987
Taxation charge	425,238	(437,916)
Increase in debtors	(1,974,966)	(1,344,121)
Increase in creditors	7,517,150	6,428,697
Corporation tax paid	(452,352)	(344,803)
<b>Net cash generated from operating activities</b>	<b>10,627,776</b>	<b>8,818,162</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1,102,989)	(793,705)
Purchase of tangible fixed assets	(302,312)	(463,557)
<b>Net cash from investing activities</b>	<b>(1,405,301)</b>	<b>(1,257,262)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	19,600	1,503
Purchase of ordinary shares	-	(32,672)
New bank loans	15,948,604	-
Repayment of bank loans	(10,303,548)	(883,065)
Repayment of other loans	(9,099,727)	(170,640)
Interest paid	(2,857,227)	(3,725,987)
<b>Net cash used in financing activities</b>	<b>(6,292,298)</b>	<b>(4,810,861)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,930,178</b>	<b>2,750,039</b>
Cash and cash equivalents at beginning of period	5,791,332	3,041,293
<b>Cash and cash equivalents at the end of period</b>	<b>8,721,510</b>	<b>5,791,332</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	8,721,510	5,791,332
	<b>8,721,510</b>	<b>5,791,332</b>

The notes on pages 19 to 37 form part of these financial statements.

## **PROJECT SEATTLE TOPCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020**

#### **1. General information**

Project Seattle Topco Limited is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company information page and the nature of the company's operations and its principal activity is disclosed in the Strategic report.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

## PROJECT SEATTLE TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020

#### 2. Accounting policies (continued)

##### 2.3 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

The directors confirm that having reviewed the Group's cash requirements for the 12 months following the date of signing the financial statements, they have a reasonable expectation that the Group has adequate resources to continue to operate and meet its liabilities as and when they fall due. In assessing this position, the directors have considered the purchase of the Group by Daisy Bidco Limited as a post balance sheet event. The directors have also considered the level of current liquidity and cash flow projections for at least the next 12 months.

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The Group made a statutory loss before tax of £4.5m in the year to 31 July 2020 (2019 - loss of £5.8m) and had net current liabilities of £10.4m at 31 July 2020 (2019 - net current liabilities of £6.5m). However, on an EBITDA basis the Group remains consistently profitable with EBITDA of £6m (2019 - £4.9m) and cash generative with net cash inflows for the year ended 31 July 2020 of £2.9m (2019 - £2.7m), and the statutory loss is principally due to the cost of interest related to bank loan and loan notes in the amount of £3.8m for the year ended 31 July 2020 (2019 - £3.9m) and significant goodwill amortisation charge amounted to £5.8m in the year to 31 July 2020 (2019 - £5.7m).

As at 31 July 2020, the Group had a bank loan debt, of £15.95m, under a facility committed until 2024 and an associated committed revolving credit facility of £1.0m (2019 - £0.5m) which was not drawn. In addition to that as at 31 July 2020, the Company had a loan notes of £18.5m, excluding accrued interest, repayable in 2026. Both loan notes and bank loan facilities were repaid in full on 18 November 2020 as part of the Group's acquisition by Daisy Bidco Limited. Following this the Group was left in net asset position with significant cash balance of £6.2m, no external debt and therefore no senior loan covenants that require compliance.

The sectors in which the Group is particularly well represented are diverse and the Group's revenue is fully recurring in nature, which provides good visibility and resilience of future revenue and cash flows, as has been evidenced in the period since the start of COVID-19 in March 2020 where revenue growth for the year ended 31 July 2020 was 39% and the same trend towards significant sales growth was observed post year end.

The directors have prepared cash flow forecasts covering the period of 12 months from the date of approval of the financial statements, which indicate that, taking account of severe but plausible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Group will have sufficient funds to meet its liabilities as they fall due for that period.

Whilst the duration and spread of the outbreak and the resultant economic impact is uncertain, sensitivity analysis has been performed to assess the impact of more severe but plausible downside scenario to future trading. Under this more cautious scenario, revenue is forecast to reduce by 13% compared to base case budget have been applied for the period of forecasts which reflects no net growth in licences over an extended period, together with an acceleration of churn in the Hosted Exchange customer base. Both assumptions are in line with the trading position seen in the peak of the lockdown period in April/May 2020 and significantly more severe than the position noted over June 2020 to March 2021. Certain limited mitigation actions are forecast to be implemented to control discretionary cost spend in areas such as travel and lower capital investment. Under this severe but plausible downside scenario, the forecasts demonstrate that the business maintains sufficient liquidity throughout the forecast period.

The directors have closely monitored the spread of COVID-19 and its resulting impact on staff, the economy, IT cloud markets and relevant supply chains. Policies and measures have been put in

## **PROJECT SEATTLE TOPCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020**

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

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

place dynamically, based on the most up to date information, to maintain the safety of its employees and minimise the risk disruption to the business.

The directors therefore remain confident that the Company has adequate resources to continue to meet its liabilities as and when they fall due, within the period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

##### **2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Rendering of services**

Revenue is recognised in accordance with customer agreements, on a monthly subscription basis as billed. The amount of revenue can be measured reliably in line with the monthly billed amount, and the Group receives the due consideration quickly following the billing period.

##### **2.5 Research and development**

Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over 2 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### **2.6 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.7 Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### **2.8 Pensions**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.



## PROJECT SEATTLE TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020

#### 2. Accounting policies (continued)

##### 2.9 Current and deferred taxation

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

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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.10 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 10 years.

###### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	2	years
Software	-	8	years
Customer relationships	-	10	years

## PROJECT SEATTLE TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020

#### 2. Accounting policies (continued)

##### 2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

## **PROJECT SEATTLE TOPCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020**

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

##### **2.16 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

##### **2.17 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### **2.18 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have had to make the following judgments:

Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

**Tangible fixed assets (See note 13)**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Impairment of intangible assets and goodwill (See note 12)**

The company considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGU's). This requires estimation of the future cash flows from CGU's and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

**Recoverability of trade debtors (See note 15)**

The recoverability of trade debtors is regularly reviewed in light of the available economic information specific to each debtor and specific provisions are recognised for balances considered to be irrecoverable.

**PROJECT SEATTLE TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

**4. Turnover**

All turnover arose within the United Kingdom.

**5. Operating loss**

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of fixed assets	440,871	403,012
Amortisation of other intangibles and goodwill	5,843,552	5,746,738
Exchange differences within operating profit	(2,928)	1,100
Exceptional costs	490,293	724,564
Operating lease rental charges	114,129	111,575

**6. Exceptional costs**

Exceptional items are presented on the basis of costs that occur as a result of events considered to be outside the usual trading course of business due to their unusual size, nature of incidence, or are disclosed separately to assist comparison of trading performance with prior periods. In the year the Group incurred exceptional costs relating to:

- Company sale advisory costs - £242,025; and
- Third party consultancy advice relating to international strategy planning - £128,818; and
- Holding company costs relating to Board management and shareholder management fees - £195,485; and
- Credit relating to release of legacy not payable - £76,035.

In the prior year the Group incurred exceptional costs relating to:

- Third party consultancy advice related to international strategy planning - £375,000
- Termination and recruitment costs relating to senior management - £163,564; and
- Non operating Group costs - £186,000.

**PROJECT SEATTLE TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

**7. Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<b>46,750</b>	37,000
	<hr/>	<hr/>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Other services	<b>13,250</b>	13,000
	<hr/>	<hr/>
	<b>13,250</b>	13,000
	<hr/>	<hr/>

**8. Employees**

Staff costs were as follows:

	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,893,744</b>	2,147,194
Social security costs	<b>307,838</b>	205,630
Cost of defined contribution scheme	<b>124,123</b>	103,768
	<hr/>	<hr/>
	<b>3,325,705</b>	2,456,592
	<hr/>	<hr/>

Staff costs of £820,324 (2019 - £793,705) were capitalised in the year relating to development activities.

The average monthly number of employees, including the directors, during the period was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Staff	<b>71</b>	67
	<hr/>	<hr/>

**9. Directors' remuneration**

The highest paid director received remuneration of £181,180 (2019 - £174,962)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,285 (2019 - £5,968).

The value of the directors' emoluments for the year ended 31 July 2020 was £696,932 (2019 - £606,660) and pension contributions £25,761 (2019 - £23,924).

During the period there were 5 directors receiving defined contribution pension contributions.

**PROJECT SEATTLE TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

**10. Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>723,453</b>	509,419
Other loan interest payable	<b>3,031,716</b>	3,360,862
	<u><b>3,755,169</b></u>	<u>3,870,281</u>

**11. Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the period	<b>540,448</b>	405,075
Adjustments in respect of previous periods	<b>(84,304)</b>	(229,324)
	<u><b>456,144</b></u>	<u>175,751</u>
	<u><b>456,144</b></u>	<u>175,751</u>
<b>Total current tax</b>	<u><b>456,144</b></u>	<u>175,751</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(572,672)</b>	(686,001)
Adjustments in respect of prior periods	<b>109,031</b>	72,334
Increase in taxation rate	<b>432,735</b>	-
	<u><b>(30,906)</b></u>	<u>(613,667)</u>
<b>Total deferred tax credit</b>	<u><b>(30,906)</b></u>	<u>(613,667)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u><b>425,238</b></u>	<u>(437,916)</u>

# PROJECT SEATTLE TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020

### 11. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<b>(4,501,647)</b>	<b>(5,797,348)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>(855,313)</b>	<b>(1,101,496)</b>
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>814,344</b>	<b>810,649</b>
Prior year adjustment - current tax	<b>(84,304)</b>	<b>(229,324)</b>
Prior year adjustment - deferred tax	<b>109,031</b>	<b>72,334</b>
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	<b>536</b>	<b>(16,184)</b>
Deferred tax not recognised	<b>8,209</b>	<b>9,812</b>
Rate difference	<b>432,735</b>	<b>16,293</b>
<b>Total tax charge for the period/year</b>	<b>425,238</b>	<b>(437,916)</b>

#### Factors that may affect future tax charges

The UK government announced that the planned UK corporation tax main rate reduction from 19% to 17% from 1 April 2020 will not take place as planned. Any deferred tax at 31 July 2020 has been recalculated based on the rate of 19% being the rate substantively enacted at the balance sheet date.

**PROJECT SEATTLE TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

**12. Intangible assets**

**Group**

	Software £	Capitalised Development Costs £	Customer relationship £	Goodwill £	Total £
<b>Cost</b>					
At 1 August 2019	17,940,016	2,842,771	6,391,729	21,384,376	48,558,892
Additions	-	1,102,989	-	-	1,102,989
At 31 July 2020	<u>17,940,016</u>	<u>3,945,760</u>	<u>6,391,729</u>	<u>21,384,376</u>	<u>49,661,881</u>
<b>Amortisation</b>					
At 1 August 2019	3,666,041	2,091,723	1,146,356	3,588,676	10,492,796
Charge for the period on owned assets	<u>2,242,502</u>	<u>823,439</u>	<u>639,173</u>	<u>2,138,438</u>	<u>5,843,552</u>
At 31 July 2020	<u>5,908,543</u>	<u>2,915,162</u>	<u>1,785,529</u>	<u>5,727,114</u>	<u>16,336,348</u>
<b>Net book value</b>					
At 31 July 2020	<u>12,031,473</u>	<u>1,030,598</u>	<u>4,606,200</u>	<u>15,657,262</u>	<u>33,325,533</u>
At 31 July 2019	<u>14,273,975</u>	<u>751,048</u>	<u>5,245,373</u>	<u>17,795,700</u>	<u>38,066,096</u>

Amortisation charges are recognised within administrative expenses.

The intangible assets acquired on the Group's formation in 2017, being Software, Customer relationship and Goodwill are material to the Group's financial statements. These relate respectively to the underlying Cloud.Market technology platform and related system environment; the customer base; and related goodwill on acquisition. The remaining useful life of these assets is:

Software - 5.3 years;  
Customer relationship - 7.3 years  
Goodwill - 7.3 years

Intangible assets are reviewed for impairment at least annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. To confirm whether an impairment of the goodwill is necessary, management compares the carrying value to the value in use. The value in use has been calculated using budgeted cash flow projections to the period of 31 July 2023; a terminal value based on a perpetuity calculation using 2.0% real growth rate was then added. This was then discounted using a post tax discount rate of 12.1% representing the estimated weighted cost of capital. This gives rise to value in use being significantly in excess of carrying value, and a reasonably possible adverse movement in any of the above key assumptions made would not give rise to impairment.



**PROJECT SEATTLE TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

**13. Tangible fixed assets**

**Group**

	<b>Fixtures Fittings and IT Equipment £</b>
<b>Cost or valuation</b>	
At 1 August 2019	<b>2,442,380</b>
Additions	<b>302,312</b>
At 31 July 2020	<b>2,744,692</b>
<b>Depreciation</b>	
At 1 August 2019	<b>1,327,775</b>
Charge for the period on owned assets	<b>440,871</b>
At 31 July 2020	<b>1,768,646</b>
<b>Net book value</b>	
At 31 July 2020	<b>976,046</b>
At 31 July 2019	<b>1,114,605</b>

Depreciation charges are recognised within administrative expenses.

**PROJECT SEATTLE TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

**14. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 August 2019	1
At 31 July 2020	<u>1</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Project Seattle Bidco Limited	Hampshire House, Hampshire Corporate Park Templars Way, Chandler's Ford, Eastleigh, England, SO53 3RY	Ordinary	100%
Giacom Holdings Limited*	Hampshire House, Hampshire Corporate Park Templars Way, Chandler's Ford, Eastleigh, England, SO53 3RY	Ordinary	100%
Giacom World Networks Limited*	Hampshire House, Hampshire Corporate Park Templars Way, Chandler's Ford, Eastleigh, England, SO53 3RY	Ordinary	100%
Giacom Inc*	500 Ygnacio Valley Road, Suite 410, Walnut Creek, CA 94596	Ordinary	100%
Giacom Cloud Services Europe Limited*	Level 1, Carmanhall Road, Sandyford Industrial Estate, Dublin 18, D18Y3X2	Ordinary	100%

\*Indirect holding

**PROJECT SEATTLE TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

**15. Debtors**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Trade debtors	<b>4,037,474</b>	2,989,513	-	-
Amounts owed by group undertakings	-	-	<b>105,828</b>	86,227
Other debtors	<b>36,620</b>	-	-	-
Prepayments and accrued income	<b>3,622,663</b>	2,732,278	<b>15,248</b>	9,581
	<b><u>7,696,757</u></b>	<u>5,721,791</u>	<b><u>121,076</u></b>	<u>95,808</u>

**16. Cash and cash equivalents**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Cash at bank and in hand	<b>8,721,510</b>	5,791,332
	<b><u>8,721,510</u></b>	<u>5,791,332</u>

**17. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Bank loans	<b>1,400,000</b>	960,000	-	-
Trade creditors	<b>7,925,985</b>	5,890,020	-	-
Amounts owed to group undertakings	-	-	<b>32,668</b>	32,668
Corporation tax	<b>411,401</b>	407,610	-	-
Other taxation and social security	<b>5,683,242</b>	1,081,297	-	-
Other creditors	<b>26,090</b>	98,389	-	-
Accruals and deferred income	<b>11,438,070</b>	9,588,587	-	-
	<b><u>26,884,788</u></b>	<u>18,025,903</u>	<b><u>32,668</u></b>	<u>32,668</u>

Amounts due to group companies are repayable on demand and attract interest at 7% per annum.

The Group has deferred £4,238,000 in respect of VAT liability for the year under HMRC's Covid-19 support scheme. This amount is due for repayment in 2021 and is shown within other taxation and social security.

# PROJECT SEATTLE TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020

### 18. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £
Bank loans	14,548,604	9,343,548
Other loans	18,540,716	27,640,443
	<u>33,089,320</u>	<u>36,983,991</u>

Bank loans include bank loan A and bank loan B.

The gross value of bank loan A is £5,950,000. The net value of the loan after capitalised borrowing costs due to be amortised in future periods is £5,699,302. This is the liability recognised within the financial statements.

Bank loan A of £5,950,000 is repayable in quarterly installments of £350,000 until 2024. Bank loan A accrues interest of Libor + 3.5% for the first 12 months adjusted for leverage ratios in future periods.

The gross value of bank loan B is £10,500,000. The net value of the loan after capitalised borrowing costs due to be amortised in future periods is £10,249,302. This is the liability recognised within the financial statements.

Bank loan B of £10,500,000 is repayable on the loan termination in October 2024. Bank loan B accrues interest at Libor + 4% for the first 12 months adjusted for leverage ratios in future periods.

Other loans consist of loan notes due to LivingBridge 6 LP, LDC VI LP, Directors and key management.

The gross value of other loans is £18,728,966. The net value of the loan after capitalised borrowing costs due to be amortised in future periods is £18,540,716. This is the liability recognised in the financial statements.

Loan notes are repayable in full in November 2026 following a partial settlement during the year and an extension of repayment from November 2024, they accrue interest at a rate of 12% over the term of the arrangement.

All bank loans and loan note liabilities were repaid as part of the company's acquisition by Daisy Bidco Ltd on 18 November 2020.

**PROJECT SEATTLE TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

**19. Loans**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
<b>Amounts falling due within one year</b>		
Bank loans	<b>1,400,000</b>	960,000
	<b>1,400,000</b>	960,000
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>1,400,000</b>	960,000
	<b>1,400,000</b>	960,000
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>2,800,000</b>	2,400,000
	<b>2,800,000</b>	2,400,000
<b>Amounts falling due after more than 5 years</b>		
Bank loans	<b>10,348,604</b>	5,983,548
Other loans	<b>18,540,716</b>	27,640,443
	<b>28,889,320</b>	33,623,991
	<b>34,489,320</b>	37,943,991

In October 2019 existing bank loans were settled in full through new bank facilities of £17.5m with a repayment date of 2024-25. Loan notes to the value of £11,180,000 were partially settled. The loan note repayment date was extended to 2026.

All bank loans and loan note liabilities were repaid as part of the company's acquisition by Daisy Bidco Ltd on 18 November 2020.

**PROJECT SEATTLE TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

**20. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
738,358 (2019 - 738,358) Ordinary A shares of £0.0250 each	18,459	18,459
28,908 (2019 - 28,908) Ordinary B1 shares of £0.0100 each	289	289
19,216 (2019 - 19,216) Ordinary B2 shares of £0.0001 each	2	2
29,314 (2019 - 29,314) Ordinary C1 shares of £0.1000 each	2,931	2,931
96,471 (2019 - 61,471) Ordinary C2 shares of £0.0001 each	16	13
40,000 (2019 - 40,000) Ordinary C3 shares of £0.0400 each	1,600	1,600
14,657 (2019 - 14,657) Ordinary C4 shares of £0.1000 each	1,466	1,466
300 (2019 - 300) Ordinary C5 shares of £0.1143 each	34	34
	<hr/> <b>24,797</b> <hr/>	<hr/> <b>24,794</b> <hr/>

On 31 January 2020, 35,000 ordinary C2 shares at £0.0001 were issued by the company.

On a show of hands, every holder of A ordinary shares shall have one vote. On a poll or written resolution each holder of A ordinary shares shall be entitled to cast one vote for each A ordinary share held, other than where a material default has occurred.

All classes of shares have the right to participate in dividends *pari passu*.

On a return of assets on liquidation or capital reduction or otherwise the surplus assets of the Company remaining after payment or discharge of its liabilities shall be distributed: (i) in paying to the holders of the C1 ordinary shares, C2 ordinary shares, C3 ordinary shares, C4 ordinary shares and C5 ordinary shares (*pari passu* as if the same constituted one class of shares) an amount equal to the C Fraction (as defined in the Company's articles) multiplied by the surplus assets less, in the case of the C4 ordinary shares and C5 ordinary shares, the C4 and C5 Subscription Adjustment; and (ii) in paying to the holders of the A ordinary shares, B1 ordinary shares and B2 ordinary shares the balance of the surplus assets.

A ordinary shares are not liable to be redeemed at the option of the company or the holder thereof.

**PROJECT SEATTLE TOPCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

**21. Deferred taxation**

**Group**

	<b>2020</b>
	<b>£</b>
At beginning of year	<b>3,303,338</b>
Charged to the profit or loss	<b>(30,907)</b>
<b>At end of year</b>	<b>3,272,431</b>

  

	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>119,794</b>	17,562
Intangibles	<b>3,161,158</b>	3,290,302
Timing differences	<b>(8,521)</b>	(4,526)
	<b>3,272,431</b>	<b>3,303,338</b>

**22. Pension commitments**

During the year the Group paid contributions of £127,448 (2019 - £11,056) to a defined contributions pension scheme. At the year end contributions of £11,170 (2019 - £4,308) were recognised as due within other creditors.

**23. Commitments under operating leases**

At 31 July 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>91,089</b>	91,089
Later than 1 year and not later than 5 years	<b>100,828</b>	191,917
	<b>191,917</b>	<b>283,006</b>

# PROJECT SEATTLE TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020

### 24. Related party transactions

The Company has taken advantage of the exemptions available in FRS 102 S33.1A and not disclosed related party transactions with wholly owned subsidiaries of the Group headed by Project Seattle Topco Limited.

Other related party transactions:

	Sales to 2020 £000	Purchases from 2020 £000	Loan note interest 2020 £000	Sales to 2019 £000	Purchases from 2019 £000	Loan note interest 2019 £000
Entities with control, joint control or significant influence over the Group	-	169	2,617	-	159	2,919
Key management personnel of the Company and its Group	-	-	115	-	-	123
Other related parties	2,908	230	102	1010	38	37

	Receivables outstanding 2020 £000	Loan notes outstanding 2020 £000	Receivables outstanding 2019 £000	Loan notes outstanding 2019 £000
Entities with control, joint control or significant influence over the Group	-	22,558	-	30,159
Key management personnel of the company and its group	-	954	-	1,275
Other related parties	437	883	227	383

Other related parties relate to entities which are controlled by a shareholder or the shareholder has significant influence. Transactions with these entities relate to the trade of the Group and are at normal commercial terms.

### 25. Controlling party

The Directors are of the opinion that up to the 18 November 2020 by virtue of their shareholding the company was controlled by LivingBridge 6 LP.

### 26. Post balance sheet events

On 18 November 2020, 100% of the company's issued share capital was acquired by Daisy Bidco Ltd. The ultimate parent company of Daisy Bidco Ltd is Panther Topco Limited.

All bank loans and loan note liabilities were repaid as part of the company's acquisition by Daisy Bidco Ltd.