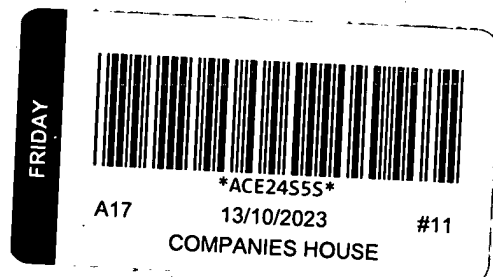


Company Registration No. 12341584 (England and Wales)

**PAYROLL SOFTWARE & SERVICES GROUP
MIDCO LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023**



PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

COMPANY INFORMATION

Directors	S Aspland D E Brooker E M Dunmore C Hamilton M Kellner M Marinos L J Stone
Company number	12341584
Registered office	Maling Exchange Hoults Yard Walker Road Newcastle Upon Tyne NE6 2HL
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne United Kingdom NE1 4AD

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their strategic report together with the financial statements for the year ended 31 March 2023.

Payroll Software Services Group Limited, the company's subsidiary, acquired three additional businesses in the year under review in line with the strategy of acquisitions to expand the Group. Peopletime Limited and its subsidiary Peopletime Ireland Limited were acquired in November 2022 and Solutions Once Limited in October 2022.

Principal activity

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

Business review and results

The business made a loss after tax for the year of £1,913,526 (2022: £1,334,948) and had net liabilities of £4,604,383 (2022: £2,690,857).

Key Performance Indicators

Due to the nature of the business the board considers that there is no need for any key performance indicators.

Principal risks and uncertainties

The principal risk is the trading of the subsidiaries and possible impairment of the investments. The Board works closely with its management team to anticipate and monitor all financial risks in order to plan and react accordingly to ensure there is minimal effect on the financial performance of the company.

On behalf of the board



E M Dunmore

Director

10 October 2023

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

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

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

S Aspland
D E Brooker
E M Dunmore
C Hamilton
M Kellner
M Marinos
L J Stone

(Appointed 31 May 2022)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.


Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



E M Dunmore
Director

10 October 2023

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible for preparing the Strategic Report and 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

Opinion

We have audited the financial statements of Payroll Software & Services Group Midco Limited (the 'company') for the year ended 31 March 2023 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Rachel Fleming

Rachel Fleming (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
United Kingdom, NE1 4AD
10 October 2023

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Interest payable and similar expenses	5	(1,913,526)	(1,334,948)
Loss before taxation		(1,913,526)	(1,334,948)
Tax on loss	6	-	-
Loss for the financial year		<u>(1,913,526)</u>	<u>(1,334,948)</u>

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	7		1		1
Current assets					
Debtors	9	23,028,042		17,891,042	
Net current assets		23,028,042		17,891,042	
Total assets less current liabilities		23,028,043		17,891,043	
Creditors: amounts falling due after more than one year	10	(27,632,426)		(20,581,900)	
Net liabilities		(4,604,383)		(2,690,857)	
Capital and reserves					
Called up share capital	12	88,001		88,001	
Profit and loss reserves		(4,692,384)		(2,778,858)	
Total equity		(4,604,383)		(2,690,857)	

The financial statements were approved by the board of directors and authorised for issue on 10 October 2023 and are signed on its behalf by:



E M Dunmore
Director

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2021	88,001	(1,443,910)	(1,355,909)
Year ended 31 March 2022:			
Loss and total comprehensive income for the year	-	(1,334,948)	(1,334,948)
Balance at 31 March 2022	88,001	(2,778,858)	(2,690,857)
Year ended 31 March 2023:			
Loss and total comprehensive income for the year	-	(1,913,526)	(1,913,526)
Balance at 31 March 2023	88,001	(4,692,384)	(4,604,383)

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Payroll Software & Services Group Midco Limited (the 'company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Maling Exchange, Hoult's Yard, Walker Road, Newcastle Upon Tyne, NE6 2HL.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

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

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments': Interest income/expense and net gains/losses for financial instruments not measured at fair value; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of Payroll Software & Services Group Topco Limited. These consolidated financial statements are available from its registered office, Maling Exchange, Hoult's Yard, Walker Road, Newcastle upon Tyne, NE6 2HL.

Going concern

The company is part of a group headed by Payroll Software and Services Group Topco Limited. The group manages its day to day working capital requirements, at a group level, through its available cash resources, cash flow from operating activities and shareholder loan notes.

The directors have considered the group's forecast financial performance. The group have also confirmed that they will continue to ensure financial support is provided to the company for, at least, a period of 12 months from the date of approval of the financial statements.

Consequently, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the directors continue to adopt the going concern basis in preparing the financial statements.

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including borrowings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

In the opinion of the directors, there are no key judgements which have a material impact on the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recoverability of intercompany loans

The company holds a significant value in respect of intercompany loans owed by other group companies. In line with the accounting policies set out in note 1, these loans are held at cost less impairment. A provision would therefore be made if the directors did not believe the carrying value of the loans to be fully recoverable. This assessment takes into account the net assets of the other group companies and their potential future earnings.

3 Auditor's remuneration

The audit fee for the company is borne by a fellow group undertaking, Payroll Software & Services Group Limited.

4 Employees

The average monthly number of persons (including directors) employed by the company during the period was 7 (2022: 6). Directors of this company are employed and remunerated by another company within the group.

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Interest payable and similar expenses

	2023	2022
	£	£
Other interest on financial liabilities	1,913,526	1,334,948

6 Taxation

	2023	2022
	£	£
Deferred tax		
Origination and reversal of timing differences	-	(1)
Changes in tax rates	-	1
Total deferred tax	-	-

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2023	2022
	£	£
Loss before taxation	(1,913,526)	(1,334,948)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(363,570)	(253,640)
Change in unrecognised deferred tax assets	478,382	420,371
Remeasurement of deferred tax for changes in rates	(114,812)	(166,731)
Taxation charge for the year	-	-

A deferred tax asset of £1,173,096 (2022: £694,714) arising from tax losses of £4,692,384 (2022: £2,778,858) has not been recognised due to uncertainty as to the timing of its recovery.

7 Fixed asset investments

	Notes	2023	2022
		£	£
Investments in subsidiaries	8	1	1

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2022 & 31 March 2023	1
Carrying amount	
At 31 March 2023	1
At 31 March 2022	1

8 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Payroll Software & Services Group Limited	1	Holding company	Ordinary	100.00	-
Cintra HR & Payroll Services Ltd	1	Development and supply of payroll and HR software and services	Ordinary	-	100.00
Cintra HR & Payroll Global Ltd (formerly Unaterra Consulting Ltd)	1	Payroll and HR services	Ordinary	-	89.40
Cintra Payroll Services Limited	1	Payroll services with optional integrated HR modules including employee self-service	Ordinary	-	100.00
Helpout Ltd	1	Holding company	Ordinary	-	100.00
Just Payroll Limited	1	Providing office and business support	Ordinary	-	100.00
Software for People Limited	1	Business and domestic software development	Ordinary	-	100.00
Outsourced Business Solutions Limited	1	Business support services	Ordinary	-	100.00
Peopletime Limited	1	Payroll services	Ordinary	-	100.00
Solutions Once Ltd	1	Development and supply of payroll software and services	Ordinary	-	100.00
Peopletime Ireland Limited	2	Payroll services	Ordinary	-	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 Maling Exchange, Hoults Yard, Walker Road, Newcastle Upon Tyne, NE6 2HL
- 2 Unit 25 & 33, Arrow Building, Old Belgard Road, Tallaght, D24 ND70

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Amounts owed by group undertakings	23,028,042	17,891,042

10 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Other borrowings	11	27,632,426	20,581,900

11 Borrowings

	2023 £	2022 £
Other loans	27,632,426	20,581,900
Payable after one year	27,632,426	20,581,900

Other loans relate to investor and management loan notes and accrued interest thereon. This is made up of £22,273,042 of 8% Series A Fixed Rate Secured Loan Notes, £667,000 8% management unsecured loan notes and £4,692,384 of accrued interest. The investor loan notes are secured by fixed and floating charges over the assets of the group. Balances are due for repayment on 20 December 2025.

12 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	88,001	88,001	88,001	88,001

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

13 Financial commitments, guarantees and contingent liabilities

At 31 March 2023, the company and its fellow group companies have cross guarantee arrangements in connection with loan notes. The total group liability under these arrangements at 31 March 2023 amounted to £27,632,426 (2022: £20,581,900).

14 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

PAYROLL SOFTWARE & SERVICES GROUP MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Related party transactions (Continued)

	Interest paid	
	2023	2022
	£	£
Tenzing PE I GP LLP, as nominee for Tenzing Private Equity I LP, being the registered holder of the loan notes	1,862,359	1,313,897
Key management personnel	51,167	21,051
	<u>1,913,526</u>	<u>1,334,948</u>

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
Amounts due to related parties		
Tenzing PE I GP LLP, as nominee for Tenzing Private Equity I LP, being the registered holder of the loan notes	26,887,117	20,304,758
Key management personnel	745,309	277,142
	<u>27,632,426</u>	<u>20,581,900</u>

15 Ultimate controlling party

Payroll Software & Services Group Topco Limited, a company registered in England and Wales, is the immediate parent company.

The ultimate controlling party of the company is Tenzing PE I GP LLP.

Payroll Software & Services Group Topco Limited, a company registered in England and Wales, is the smallest and largest group for which consolidated accounts including Payroll Software & Services Group Midco Limited are prepared. The consolidated accounts can be obtained from Payroll Software & Services Group Topco Limited's registered office which is Maling Exchange, Hoults Yard, Walker Road, Newcastle Upon Tyne, NE6 2HL.