

Parent for:
00417509
Registered number: 10981928

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

WEDNESDAY



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SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Directors | P Clarke A Solway R Cowen C Sher R Smith |
| Registered number | 10981928 |
| Registered office | 111 Old Broad Street London EC2N 1AP |
| Independent auditors | RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

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SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

Introduction

The Directors present their strategic report together with the audited financial statements for the 9 months to 31 December 2019. The report consolidates numbers for the entire Group, which consists of Sionic Global (CTL) Limited ("the Company") and its subsidiary undertakings (together "the Group") as disclosed in note 14 of the financial statements.

Business review

Due to the different lengths in accounting periods between current and prior, and the completion of the acquisition in the current period, the Directors feel it is difficult to draw conclusions on performance between the two periods and so have provided annual figures for the twelve months to 31 December 2019 and 2018 to give more comparability.

Revenue has increased to £30.0m for the nine month period to 31 December 2019 (12 months to 31 March 2019 - £23.7m) with annual turnover at approximately £40m (2018 - £23.9m). EBITDA for the period, as defined in the accounting policies, was £1.3m (12 months to 31 March 2019 - £1.7m) and annual EBITDA was £2.4m (2018 - £1.4m). The increased revenue and EBITDA were as a result of the acquisition of the Sionic Group and the consolidation of the market position, further details of the performance of the acquired entities since acquisition is shown in note 22. Interest payable has increased in line with the additional debt taken on to fund the acquisition of the Sionic Group and is in line with the underlying agreements.

As at 31 December 2019, the group had net current liabilities of £6.4m (31 March 2019 - net current assets of £1.1m) as a result of the senior debt being reclassified to current due to the covenant breach at 31 December 2019, as documented in more detail below. Without this reclassification, the net assets of the group would have increased from £1.1m in the prior financial year to £3.2m. The net liabilities have increased as a result of the increased debt taken on by the group to fund the acquisition and further details of this have been included in note 22 of the financial statements.

The Directors are pleased with the performance of the Group during the period, which was dominated by the integration of Sionic and Catalyst. The directors feel that the Group is well positioned to increase its market share in future.

On 1 April 2019, the legacy Catalyst Group acquired Sionic Advisors Global Holdings LLP and its subsidiaries, a consulting firm providing management consultancy services to financial institutions, predominantly in the North American and European markets. Following the acquisition, the Group has annualised turnover of approximately £40m and is staffed by over 300 professionals including contractors based in locations across North America, Europe and Asia.

The Group was refinanced on 1 April 2019 in order to complete the transaction, details of which can be found in notes 18 and 22.

As a result of external loans, the Group is required to satisfy specific covenant requirements on a quarterly basis. Trading conditions meant that the Group did not pass the adjusted leverage covenant for the quarter ended 31 December 2019. Details of the implications of the covenant breach can be found in note 18. Negotiations with debt providers have taken place since the period end, and the covenants have been reset to appropriate levels on 29 September 2020. These new covenants were waived for the quarter ended 30 September 2020 and are forecast to be complied with at 31 December 2020. In the unlikely event of a further covenant breach, the Directors still hold the opinion that the debtholders would be supportive of the business and not recall the loan and the debt holders have indicated this view. Further details of the post year end refinancing can be found in note 25.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

Future developments and going concern

Trading during 2020 was dominated by the COVID-19 pandemic. In response the board prioritised cash flow, profitability and maintaining the business' capabilities. Government support schemes were utilised in various jurisdictions and new investments in the corporate infrastructure, such as finance and HR systems, were put on hold. Employees were successfully transitioned to working remotely from home with minimal disruption to the business.

The Directors are pleased with the performance of the business during the pandemic. At the time of writing, revenue for the year ended 31 December 2020 is likely to be a similar level to 2019.

On 30 November 2020, shareholders invested a further £2,000,000 into the business in the form of equity and loan notes to strengthen the balance sheet and increase cash reserves. On the same date, shareholder debt was swapped for equity (see note 25).

As a result of good performance after the period end and having the cash reserves to meet liabilities as they fall due, the Directors have concluded that the Group remains a going concern. Further details are found in the going concern accounting policy.

Principal risks and uncertainties

The Directors intend to continue developing and expanding activities in key market areas. The principal risk is the deterioration of market conditions caused by Brexit and the global pandemic. Despite this risk, the Group's revenues in 2020 have not been impacted. To manage the continued risk, the Group has continued to develop new clients, market opportunities and service lines.

The Group has minimised currency translation risk by operating offices in the jurisdictions where significant client demand has arisen; so that translation risk only applies to net profit. The Directors monitor this risk and are comfortable with the exposure. The Directors address significant risk to foreign exchange movement on assets and liabilities by engaging the advice of professional advisers. The Directors hedge some of this risk by using natural hedges and where this is not possible, they use cost benefit analysis to compare the weighted risk of negative foreign exchange movements against the cost of using financial instruments.

The Directors monitor liquidity risk on a weekly basis by reviewing liquidity ratios and preparing a short-term cash flow forecast that is flexed for a downturn in trade debtor days.

The Directors consider the risk to interest rate increases to be low, but will consider the use of financial instruments to hedge this risk as and when they perceive that the global lending environment has tightened.

Financial key performance indicators

The Directors monitor financial performance and position on a weekly and monthly basis, including:

Revenue for the period - £29,987,893 (year ended 31 March 2019 - £23,728,065).
Gross profit for the period - £6,947,541 (year ended 31 March 2019 - £7,747,043).
EBITDA for the period - £1,287,657 (year ended 31 March 2019 - £1,669,639).
Cash at the end of the period - £1,497,700 (year ended 31 March 2019 - £2,422,694).
Trade debtors at the end of the period - £6,187,689 (year ended 31 March 2019 - £3,888,583).

The Directors are pleased with these KPIs in light of the integration of the legacy Sionic and Catalyst businesses during the period.

Each month the Directors review the management accounts and compare actual performance against budget. Costs are also reviewed to monitor profitability.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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



.....
R Cowen
Director

Date: 23 December 2020

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for the period ended 31 December 2019.

Principal activity

The principal activity of Sionic Global (CTL) Limited is that of a holding company.

The principal activity of the Group is that of providing consultancy services, principally to banks but also other financial institutions. The Group has branches outside the UK in Spain and Switzerland.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law 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 Group and the Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the period, after taxation, amounted to £7,554,519 (*year ended 31 March 2019 - loss of £3,794,622*).

The results for the period are set out in the consolidated statement of comprehensive income.

No dividend was paid in the period (*year ended 31 March 2019 - £nil*). The Directors do not recommend payment of a final dividend.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

Directors

The Directors who served during the period and up until the date of this report were:

D Faure (resigned 23 July 2019)
P Clarke
P Landsman (resigned 23 July 2019)
S Loosley (resigned 23 July 2019)
M Parkinson (resigned 23 July 2019)
P Stone (resigned 23 July 2019)
A Middleton (resigned 2 October 2019)
A Solway
R Cowen (appointed 23 July 2019)
C Sher (appointed 23 July 2019)
S Girardeau (appointed 23 July 2019, resigned 18 December 2019)
R Osman (appointed 18 December 2019, resigned 24 June 2020)
R Smith (appointed 30 June 2020)

Matters covered in the strategic report

In accordance with Section 414C (II), the Directors have included information on post balance sheet events, risks in relation to financial instruments and the Directors' conclusions on the going concern of the Group in the strategic report.

Disclosure of information to auditors

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

- so far as each Director is aware, there is no relevant audit information of which the the Group and the Company's auditors are unaware, and
- each 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 the Group and the Company's auditors are aware of that information.

Auditors

RSM UK Audit LLP were appointed as auditor to the company. They have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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



.....
R Cowen
Director

Date: 23 December 2020

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIONIC GLOBAL (CTL) LIMITED
(FORMERLY CATALYST TOPCO LIMITED)**

Opinion

We have audited the financial statements of Sionic Global (CTL) Limited (Formerly Catalyst TopCo Limited) (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 31 December 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIONIC GLOBAL (CTL) LIMITED
(FORMERLY CATALYST TOPCO LIMITED) (CONTINUED)**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 Group's and the 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 the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIONIC GLOBAL (CTL) LIMITED
(FORMERLY CATALYST TOPCO LIMITED) (CONTINUED)**

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

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

Use of our report

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

RSM UK Audit LLP

Tim Robinson (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

23 December 2020

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2019**

| | Note | 9 months ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|--|------|--|-------------------------------------|
| Turnover | 4 | 29,987,893 | 23,728,065 |
| Cost of sales | | (23,040,352) | (15,981,022) |
| Gross profit | | 6,947,541 | 7,747,043 |
| Administrative expenses | | (10,585,464) | (9,168,571) |
| Operating loss | 6 | (3,637,923) | (1,421,528) |
| Adjusted EBITDA | | 1,287,657 | 1,669,639 |
| Depreciation & amortisation including unwinding of arrangement fee | | (3,912,074) | (2,638,339) |
| Other separately disclosed items | 5 | (1,013,506) | (452,828) |
| Operating loss | 6 | (3,637,923) | (1,421,528) |
| Interest payable and similar charges | 10 | (3,947,587) | (2,245,344) |
| Loss on ordinary activities before taxation | | (7,585,510) | (3,666,872) |
| Taxation | 11 | 22,558 | (127,750) |
| Loss on ordinary activities after taxation | | (7,562,952) | (3,794,622) |
| Currency translation differences | | 8,432 | - |
| Total comprehensive income for the period/year | | (7,554,520) | (3,794,622) |

The notes on pages 19 to 50 form part of these financial statements.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

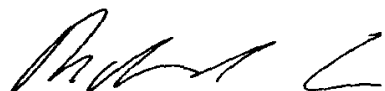
**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019**

| | Note | 31 December 2019 £ | 31 December 2019 £ | 31 March 2019 £ | 31 March 2019 £ |
|---|------|-----------------------------|-----------------------------|-----------------------|-----------------------|
| Fixed assets | | | | | |
| Goodwill | 12 | | 36,079,221 | | 22,428,516 |
| Other intangible assets | 12 | | 7,169,201 | | - |
| Total intangible assets | | | 43,248,422 | | 22,428,516 |
| Tangible fixed assets | | | 367,901 | | 319,695 |
| Total non-current assets | | | 43,616,323 | | 22,748,211 |
| Current assets | | | | | |
| Debtors: amounts falling due within one year | 15 | 8,940,813 | | 5,039,234 | |
| Cash at bank and in hand | | 1,497,700 | | 2,422,694 | |
| | | 10,438,513 | | 7,461,928 | |
| Creditors: amounts falling due within one year | 16 | (16,891,544) | | (6,353,451) | |
| Net current (liabilities)/assets | | | (6,453,031) | | 1,108,477 |
| Total assets less current liabilities | | | 37,163,292 | | 23,856,688 |
| Creditors: amounts falling due after more than one year | 17 | | (47,761,491) | | (28,578,017) |
| Provisions for liabilities | | | | | |
| Deferred tax | 19 | (1,235,568) | | - | |
| | | | (1,235,568) | | - |
| Net liabilities | | | (11,833,767) | | (4,721,329) |
| Capital and reserves | | | | | |
| Called up share capital | 20 | | 7,549 | | 7,456 |
| Share premium account | 21 | | 573,464 | | 131,475 |
| Foreign exchange reserve | 21 | | 8,432 | | - |
| Profit and loss account | 21 | | (12,423,212) | | (4,860,260) |
| | | | (11,833,767) | | (4,721,329) |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)
REGISTERED NUMBER: 10981928

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements on pages 9 to 50 were approved and authorised for issue by the board and were signed on its behalf on 23 December 2020



.....
R Cowen
Director

The notes on pages 19 to 50 form part of these financial statements.


SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)
REGISTERED NUMBER: 10981928

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

| | Note | 31 December 2019 £ | 31 December 2019 £ | 31 March 2019 £ | 31 March 2019 £ |
|--|------|-----------------------------|-----------------------------|-----------------------|-----------------------|
| Fixed assets | | | | | |
| Investments | 14 | | 1 | | 1 |
| | | | <u>1</u> | | <u>1</u> |
| Current assets | | | | | |
| Debtors: amounts falling due within one year | 15 | 574,014 | | 131,932 | |
| | | <u>574,014</u> | | <u>131,932</u> | |
| Creditors: amounts falling due within one year | 16 | (100,397) | | (45,397) | |
| Net current assets | | | <u>473,617</u> | | <u>86,535</u> |
| Total assets less current liabilities | | | <u>473,618</u> | | <u>86,536</u> |
| Net assets | | | <u><u>473,618</u></u> | | <u><u>86,536</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 20 | | 7,549 | | 7,456 |
| Share premium account | 21 | | 573,464 | | 131,475 |
| Profit and loss account | 21 | | (107,395) | | (52,395) |
| | | | <u>473,618</u> | | <u>86,536</u> |

The company's loss and total comprehensive income for the period were £55,000 (year ended 31 March: £44,195).

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


.....
R Cowen
Director

Date: 23 December 2020

The notes on pages 19 to 50 form part of these financial statements.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

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

| | Called up share capital | Share premium account | Foreign exchange reserve | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|--------------------------------|----------------------------|---------------------|
| | £ | £ | £ | £ | £ |
| At 1 April 2019 | 7,456 | 131,475 | - | (4,860,260) | (4,721,329) |
| Comprehensive income for the period | | | | | |
| Loss for the period | - | - | - | (7,562,952) | (7,562,952) |
| Currency translation differences | - | - | 8,432 | - | 8,432 |
| Total comprehensive income for the period | - | - | 8,432 | (7,562,952) | (7,554,520) |
| Shares issued during the period | 93 | 441,989 | - | - | 442,082 |
| At 31 December 2019 | 7,549 | 573,464 | 8,432 | (12,423,212) | (11,833,767) |

The notes on pages 19 to 50 form part of these financial statements.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

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

| | Called up share capital | Share premium account | Profit and loss account | Equity attributable to owners of parent Company | Total equity |
|--|----------------------------|-----------------------------|----------------------------|---|--------------------|
| | £ | £ | £ | £ | £ |
| At 1 April 2018 | 7,453 | 126,481 | (1,065,638) | (931,704) | (931,704) |
| Comprehensive income for the year | | | | | |
| Loss for the year | - | - | (3,794,622) | (3,794,622) | (3,794,622) |
| Shares issued during the year | 3 | 4,994 | - | 4,997 | 4,997 |
| At 31 March 2019 | 7,456 | 131,475 | (4,860,260) | (4,721,329) | (4,721,329) |

The notes on pages 19 to 50 form part of these financial statements.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

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

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|---|----------------------------|-----------------------------|----------------------------|----------------|
| | £ | £ | £ | £ |
| At 1 April 2019 | 7,456 | 131,475 | (52,395) | 86,536 |
| Comprehensive income for the year | | | | |
| Loss for the period | - | - | (55,000) | (55,000) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Other comprehensive income for the period | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the period | - | - | (55,000) | (55,000) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Contributions by and distributions to owners | | | | |
| Shares issued during the period | 93 | 441,989 | - | 442,082 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total transactions with owners | 93 | 441,989 | - | 442,082 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2019 | 7,549 | 573,464 | (107,395) | 473,618 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 19 to 50 form part of these financial statements.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

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

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|---|----------------------------|-----------------------------|----------------------------|---------------|
| | £ | £ | £ | £ |
| At 1 April 2018 | 7,453 | 126,481 | (8,200) | 125,734 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (44,195) | (44,195) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Other comprehensive income for the year | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | - | (44,195) | (44,195) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Contributions by and distributions to owners | | | | |
| Shares issued during the year | 3 | 4,994 | - | 4,997 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total transactions with owners | 3 | 4,994 | - | 4,997 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2019 | 7,456 | 131,475 | (52,395) | 86,536 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 19 to 50 form part of these financial statements.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

| | 31 December 2019 £ | 31 March 2019 £ |
|---|--------------------------|-----------------------|
| Cash flows from operating activities | | |
| Loss for the financial period | (7,562,952) | (3,794,622) |
| Adjustments for: | | |
| Amortisation of intangible assets | 3,768,075 | 2,535,912 |
| Depreciation of tangible assets | 90,132 | 102,427 |
| Impairments of fixed assets | 50,000 | 8,087 |
| Loss on disposal of tangible assets | - | 12,405 |
| Interest paid | 3,947,587 | 2,245,344 |
| Taxation charge | (22,558) | 127,750 |
| Decrease/(increase) in debtors | 606,452 | (743,354) |
| (Decrease)/increase in creditors | (1,246,716) | 126,346 |
| Corporation tax (paid)/received | (404,459) | 27,085 |
| Net cash (used in)/generated from operating activities | (774,439) | 647,380 |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | (7,000) | - |
| Purchase of tangible fixed assets | (77,812) | (237,643) |
| Acquisition of subsidiary net of cash and overdraft acquired | (12,093,609) | - |
| Net cash used in investing activities | (12,178,421) | (237,643) |
| Cash flows from financing activities | | |
| Issue of ordinary shares | 115,825 | 4,997 |
| Repayment of loans | (2,660,738) | (550,000) |
| Other new loans | 14,677,785 | - |
| Interest paid | (744,417) | (89,743) |
| Net cash from/(used in) financing activities | 11,388,455 | (634,746) |
| Net (decrease) in cash and cash equivalents | (1,564,405) | (225,009) |
| Cash and cash equivalents at beginning of period | 2,422,694 | 2,647,703 |
| Cash and cash equivalents at the end of period | 858,289 | 2,422,694 |

The notes on pages 19 to 50 form part of these financial statements.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

| | At 1 April 2019 £ | Cash flows £ | Acquisition of subsidiaries £ | Other non- cash changes £ | At 31 December 2019 £ |
|--------------------------|-------------------------|--------------------|--|------------------------------------|--------------------------------|
| Cash at bank and in hand | 2,422,694 | (2,126,362) | 1,201,368 | - | 1,497,700 |
| Bank overdrafts | - | 748,985 | (1,388,396) | - | (639,411) |
| Debt due after 1 year | (28,578,017) | (7,731,175) | (17,857,340) | 6,405,041 | (47,761,491) |
| Debt due within 1 year | (791,913) | 791,913 | - | (9,650,000) | (9,650,000) |
| | <u>(26,947,236)</u> | <u>(8,316,639)</u> | <u>(18,044,368)</u> | <u>(3,244,959)</u> | <u>(56,553,202)</u> |

The notes on pages 19 to 50 form part of these financial statements.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

1. General information

Sionic Global (CTL) Limited ("the Company") is a private company limited by shares, and is registered and incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Group and Company's operations and its principal activities are set out in the Directors' Report.

The Group consists of Sionic Global (CTL) Limited and all of its subsidiaries.

The following principal accounting policies have been applied:

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements are for the 9 months ended 31 December 2019. The accounting period was shortened in order to align the year ends of all the subsidiaries in the group. The comparatives are for the 12 months ended 31 March 2019 and are therefore not entirely comparable.

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, and under the historical cost convention, modified to include certain financial instruments at fair value.

On 14 December 2017, the Financial Reporting Council (FRC) issued Amendments to FRS 102 - Triennial Review 2017. The amendments are effective for accounting periods beginning on or after 1 January 2019 and have thus been adopted in these financial statements.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

The Company has taken advantage of the following disclosure exemptions in its Company only accounts as permitted by the reduced disclosure framework within FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Interest income/expense and net gains/losses for financial instruments not measured at fair value, amount of any impairment loss, risks arising from financial instruments, and transferred financial assets not derecognised, loan defaults or breaches, and descriptions of hedging relationships.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.2 Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company and the Group can continue in operational existence for at least 12 months from the approval of these financial statements.

The performance of the Group post period end on a like for like basis has been comparable to the 9 months ended 31 December 2019, and therefore the impact of COVID-19 has so far been negligible. Minimal downturn in performance was observed during outbreaks in the various locations in which the Group operates.

Despite the resilience in trading, the Directors remain aware of the risks that both the global pandemic, and the ongoing uncertainty around Brexit, pose to the Group going forwards. The Directors will continue to prioritise cash flow, profitability and maintaining the business' capabilities in order to mitigate the effect of any downturn.

As disclosed in the Strategic report, the Group breached the adjusted leverage covenant for the quarter to 31 December 2019 which led to discussions with its lenders to agree a revised credit agreement post period end in order to reset the covenants with effect from 29 September 2020. The Directors are confident that these new covenant levels are more appropriate for the trajectory of the business. They have prepared profit, balance sheet and cash flow forecasts through to 31 December 2021 for the Group that are mindful of the risks mentioned above and have taken steps to identify cost efficiencies to help mitigate any potential impact. These new covenants were waived for the quarter ended 30 September 2020 and are forecast to be complied with at 31 December 2020. Moreover, the forecasts do not show any further breaches of financial covenants or any inability to meet any liabilities as they fall due for the year ended 31 December 2021. The forecasts have been stress-tested in order to understand how sensitive the Group is to key KPIs such as revenue and trade debtor days, and as a result the Directors are comfortable with the headroom on the covenants and have concluded that it is unlikely that the financial covenants be breached in the forecasting period. In the unlikely event of a further covenant breach, the Directors still hold the opinion based on on-going discussions with the debt holders, that the debt holders would be supportive of the business and not recall the loan facility.

As a result of the financial covenant breach during the quarter to 31 December 2019, the senior debt net of arrangement fees amounting to £9.65m at the period end was reclassified in these financial statements to current liabilities, as outlined in note 18. After the covenants were reset with effect from 29 September 2020, the senior debt was reclassified as falling due after more than one year.

As part of the refinancing of the Group, the shareholders have also injected £2m of cash into the business on 30 November 2020 to bolster liquidity, see note 25. On the same date, the Group issued new shares in exchange for loan note principal and interest accrued thereon, details of which can be found in note 25. This resulted in an increase to net assets amounting to circa £19m.

The Directors therefore consider it appropriate to adopt the going concern basis in preparing the financial statements.

2.3 Company Statement of Comprehensive Income

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income as it prepares group accounts and the company's individual statement of financial position shows the company's profit or loss for the financial year.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Basis of consolidation

The consolidated financial statements incorporate those of Sionic Global (CTL) Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2019.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Provisional fair values

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

2.5 Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the Company's functional and the group's presentation currency.

2.6 Foreign currency transactions and balances

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the Directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale management consultancy services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Turnover from fixed fee contracts is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of those expenses that it is probable will be recovered.

Turnover from time and materials contracts is recognised in line with when the costs are incurred.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate 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.

2.9 Leased assets

Operating leases and their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Where the Group has a legal obligation, a dilapidation provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.11 Interest payable

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.

2.12 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred, except for the arrangement fees on the senior debt, which are capitalised and netted against the loan. The arrangement fees are amortised straight-line over the period to the termination date of the loan, and the amortisation costs are recognised in administrative expenses.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

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 profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 Current and deferred taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

Current and deferred tax, other than the tax effects of distributions to owners, is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

The tax expense or income effects of distributions to owners are recognised in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.16 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.17 Intangible assets

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'.

Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses.

Goodwill Amortisation

Goodwill amortisation is calculated by applying the straight-line method over its estimated useful life. Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Goodwill is being amortised to 'administrative expenses' over 10 years.

Other Intangibles assets

Intangible assets purchased other than in a business combination are only recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets arising on a business combination are recognised separately from goodwill if the intangible asset is both separable and arises from legal or contractual rights. The group has also selected to recognise non-contractual customer relationships and trademarks separately from goodwill. All other intangible assets that either arise from legal or contractual rights, or are separable, are presented within goodwill.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

| | |
|--|------------|
| Non-contractual customer relationships | – 10 years |
| Trademarks | – 10 years |

The useful lives of non-contractual customer relationships and trademarks are reflective of the Directors' commercial expectations for those assets.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.18 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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.

The estimated useful lives range as follows:

| | |
|------------------------|------------------------------|
| Leasehold improvements | - over the term of the lease |
| Fixtures and fittings | - 5 years |
| Computer equipment | - 3 years |

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.

2.19 Investments

In the separate accounts of the Company, investments in subsidiaries are initially measured at cost and subsequently at cost less accumulated impairment loss.

2.20 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.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.21 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 recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar expenses.

2.22 Financial Instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Recognition and measurement of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Classification of financial instruments

Financial instruments are classified as liabilities and equity instruments 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 Group after deducting all of its liabilities.

Financial assets and liabilities at amortised cost

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Trade creditors, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs (unless the arrangement constitutes, in effect, a financing transaction, in which case it is initially recognised at the present value of future payments discounted at a market rate of interest for a similar debt instrument) and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar expenses.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some (but not substantially all) 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.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.23 Alternative performance measures

Adjusted EBITDA as set out in the Consolidated Statement of Comprehensive Income is defined as earnings before interest, taxation, depreciation and amortisation, and before costs that are non-recurring and/or superfluous to the operations of the Group.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgments and identified the following key areas of estimation uncertainty:

Goodwill

Goodwill is required to be tested for impairment if changes in circumstances or the occurrence of events indicate that potential impairment exists. 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. No indicators of impairment have been identified in the current period. See note 25 in relation to post period end indicators.

Other intangibles

The Directors have elected to recognise trademark and non-contractual customer relationships & contracts separate from goodwill. These intangibles are measured at fair value at the date of revaluation less any subsequent accumulated amortisation. The useful economic lives of both the trademark and non-contractual customer relationships & contracts are estimated to be 10 years. No indicators of impairment have been identified in the current period. See note 25 in relation to post period end indicators.

The brand is valued using a combination of market information and an income approach known as the Relief from Royalty (RfR) method which estimates the amount of royalty income it could generate if it was licensed in an arm's length transaction to a third party.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

3. Judgments in applying accounting policies (continued)

Non-contractual customer relationships & contracts are valued using the Multi-Period Excess Earnings (MPEE) method which estimates the present value of the benefits anticipated from ownership of the intangible asset in excess of the returns required on the investment in the contributory assets necessary to realise those benefits.

Recognition of revenue

The assessment of the stage of completion of projects and therefore the amount of revenue recognised is affected by the assessment of future time costs that each project will incur through to completion. The costing of this time assessment is systematically driven but the estimation is made by project teams under supervision of Directors and carries some risk of being misjudged due to unforeseen circumstances.

Impairment of trade debtor balance

The company's policy on recognising an impairment of the trade debtor balance is based on a review of individual debtor balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade debtor impairment is reflected in the carrying value of the asset.

Recovery of intercompany balances

Management regularly assess balances due from other entities within the Group and whether these are recoverable. Where it is considered that the future cash flows of these debts are less than the carrying amount, appropriate provisions are made against these balances to reflect the recoverability of the asset.

Impairment of assets

Financial and non financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

Operating lease commitments

In categorising leases as finance leases or operating leases, management makes judgments as to whether significant risks and rewards of ownership have transferred.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

4. Turnover

An analysis of turnover by class of business is as follows:

| | 9 months ended 31 December 2019 £ | <i>Year ended 31 March 2019 £</i> |
|--------------------------|--|---|
| Management consultancy | 24,901,671 | 17,891,151 |
| Learning and Development | 5,086,222 | 5,836,914 |
| | <u>29,987,893</u> | <u>23,728,065</u> |

Analysis of turnover by country of destination:

| | 9 months ended 31 December 2019 £ | <i>Year ended 31 March 2019 £</i> |
|-------------------|--|---|
| United Kingdom | 12,599,456 | 20,227,126 |
| United States | 9,856,387 | - |
| Rest of the world | 7,532,050 | 3,500,939 |
| | <u>29,987,893</u> | <u>23,728,065</u> |

5. Separately disclosed items

| | 9 months ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|--|--|---|
| Separately disclosed items relate to: | | |
| Acquisition costs | 202,799 | - |
| Severance costs | 736,789 | 172,994 |
| Integration costs | 56,000 | - |
| New office costs (double-rent and legal costs) | - | 238,884 |
| Other | 17,918 | 41,000 |
| | <u>1,013,506</u> | <u>452,878</u> |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

6. Profit before Taxation

The profit before taxation is stated after charging:

| | 9 months ended 31 December 2019 £ | <i>Year ended 31 March 2019 £</i> |
|---|--|---|
| Depreciation of property, plant & equipment | 90,132 | 102,427 |
| Amortisation of intangible fixed assets | 3,768,075 | - |
| Amortisation of arrangement fee | 50,000 | - |
| Foreign exchange | 18,087 | 2,331 |
| Other operating lease rentals | 759,099 | 501,513 |
| | <u>759,099</u> | <u>501,513</u> |

7. Auditors' remuneration

| | 9 months ended 31 December 2019 £ | <i>Year ended 31 March 2019 £</i> |
|-------------------------------------|--|---|
| Audit of these financial statements | 55,000 | 11,250 |
| | <u>55,000</u> | <u>11,250</u> |

Fees payable to the Group's auditor and its associates in respect of:

| | | |
|--|--------|--------|
| Audit of financial statements of subsidiaries of the company | - | 30,250 |
| Taxation compliance services | 35,000 | 27,200 |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

8. Employees

Staff costs, including Directors' remuneration, were as follows:

| | Group 31 December 2019 £ | <i>Group 31 March 2019 £</i> | Company 31 December 2019 £ | <i>Company 31 March 2019 £</i> |
|-------------------------------------|---|--|---|--|
| Wages and salaries | 16,297,283 | 9,712,822 | - | - |
| Social security costs | 1,623,576 | 1,034,311 | - | - |
| Cost of defined contribution scheme | 449,780 | 325,333 | - | - |
| | <u>18,370,639</u> | <u>11,072,466</u> | <u>-</u> | <u>-</u> |

The average monthly number of persons employed by the Group (including the Directors), during the period/year was as follows:

| | 9 months ended 31 December 2019 No. | <i>Year ended 31 March 2019 No.</i> |
|-------------------------------|--|---|
| Management and administrative | 33 | 28 |
| Sales and operations | 195 | 86 |
| | <u>228</u> | <u>114</u> |

9. Directors' remuneration

The Directors of the Company are remunerated in other subsidiaries within the wider group.

In respect of the Directors of Sionic Global (CTL) Limited:

| | 9 months ended 31 December 2019 £ | <i>Year ended 31 March 2019 £</i> |
|--|--|---|
| Emoluments | 674,996 | 836,108 |
| Cost of defined contribution pension schemes | 28,560 | - |
| | <u>703,556</u> | <u>836,108</u> |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

9. Directors' remuneration (continued)

The highest paid Director received remuneration of £219,818 during the period (year ended 31 March 2019 - £200,000).

There were 5 Directors in the Group's defined contribution pension scheme (year ended 31 March 2019: 3).

The emoluments and defined contribution pension contributions of other key management personnel additional to the Directors during the period amounted to £488,372 (year ended 31 March 2019: £128,807) and £20,713 (year ended 31 March 2019: £6,848), respectively.

10. Interest payable and similar charges

| | 9 months ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|------------------------------|--|-------------------------------------|
| Interest arising on: | | |
| Bank interest and overdrafts | 30,127 | 87,948 |
| Other loan interest | 3,917,460 | 2,157,396 |
| | <u>3,947,587</u> | <u>2,245,344</u> |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

11. Taxation

| | 9 months ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|---|--|-------------------------------------|
| Corporation tax | | |
| Current tax on profits for the year | 78,219 | 4,170 |
| Adjustments in respect of previous periods | - | 98,516 |
| Total current tax | 78,219 | 102,686 |
| Deferred tax | | |
| Origination and reversal of timing differences | (100,777) | - |
| Adjustments in respect of previous periods | - | 25,064 |
| Taxation on (loss)/profit on ordinary activities | (22,558) | 127,750 |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

11. Taxation (continued)

Factors affecting tax charge for the period/year

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

| | 9 months ended 31 December 2019 £ | Year ended 31 March 2019 £ |
|--|--|-------------------------------------|
| (Loss)/profit on ordinary activities before tax | (7,585,510) | 3,666,872 |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | (1,441,247) | (696,706) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 848,353 | 725,947 |
| Fixed asset differences | 4,461 | 2,719 |
| Adjustment to brought forward values | - | (10,258) |
| Adjustments to tax charge in respect of prior periods | (365) | 98,516 |
| Adjustments to tax charge in respect of prior periods (deferred tax) | - | 25,064 |
| Difference in tax rates | 49,167 | - |
| Adjust deferred tax rates to average rate during the period | 11,562 | (1,847) |
| Foreign tax credits | 70,477 | - |
| Foreign tax deductions | (14,502) | - |
| Deferred tax not recognised | 449,536 | 32,904 |
| Other differences leading to a decrease in the tax charge | - | (48,589) |
| Total tax charge for the period/year | (22,558) | 127,750 |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

12. Intangible assets

Group

| | Goodwill £ | Non- contractual customer relationships & contracts £ | Trademarks £ | Computer software £ | Total £ |
|--|---------------|--|-----------------|---------------------------|------------|
| Cost | | | | | |
| At 1 April 2019 | 25,684,098 | - | - | - | 25,684,098 |
| Additions | - | - | - | 7,000 | 7,000 |
| Additions on acquisition of subsidiaries | 16,840,013 | 6,551,000 | 1,189,968 | - | 24,580,981 |
| At 31 December 2019 | 42,524,111 | 6,551,000 | 1,189,968 | 7,000 | 50,272,079 |
| Amortisation | | | | | |
| At 1 April 2019 | 3,255,582 | - | - | - | 3,255,582 |
| Charge for the period on owned assets | 3,189,308 | 491,325 | 86,775 | 667 | 3,768,075 |
| At 31 December 2019 | 6,444,890 | 491,325 | 86,775 | 667 | 7,023,657 |
| Net book value | | | | | |
| At 31 December 2019 | 36,079,221 | 6,059,675 | 1,103,193 | 6,333 | 43,248,422 |
| At 31 March 2019 | 22,428,516 | - | - | - | 22,428,516 |

The amortisation charge for the period is recognised in administrative expenses.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

13. Tangible fixed assets

Group

| | Leasehold Improvements £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|--|--------------------------------|-------------------------------|----------------------------|----------------|
| Cost or valuation | | | | |
| At 1 April 2019 | 139,943 | 74,504 | 182,244 | 396,691 |
| Additions | 8,289 | 747 | 68,776 | 77,812 |
| Additions on acquisition of subsidiary | - | - | 60,526 | 60,526 |
| At 31 December 2019 | <u>148,232</u> | <u>75,251</u> | <u>311,546</u> | <u>535,029</u> |
| Depreciation | | | | |
| At 1 April 2019 | 2,592 | 18,312 | 56,092 | 76,996 |
| Charge for the period on owned assets | 11,739 | 14,639 | 63,754 | 90,132 |
| At 31 December 2019 | <u>14,331</u> | <u>32,951</u> | <u>119,846</u> | <u>167,128</u> |
| Net book value | | | | |
| At 31 December 2019 | <u>133,901</u> | <u>42,300</u> | <u>191,700</u> | <u>367,901</u> |
| At 31 March 2019 | <u>137,351</u> | <u>56,192</u> | <u>126,152</u> | <u>319,695</u> |

The depreciation charge for the period is recognised in administrative expenses.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

14. Fixed asset investments

Company

| | Investments in subsidiary companies £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 April 2019 | 1 |
| At 31 December 2019 | 1 |

Direct subsidiary undertaking

The following were subsidiary undertakings of the Company during the period:

| Name | Registered office | Principal activity | Holding |
|-----------------------------|---------------------------------------|---------------------------|----------------|
| Sionic Global (CBL) Limited | 111 Old Broad St., London EC2N 1AP | Holding company | 100% |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

| Name | Registered office | Principal activity | Holding |
|--|---|---------------------------|----------------|
| Catalyst Holdco Limited | See note 1 below | Holding company | 100% |
| Catalyst Nominee Limited | See note 1 below | Holding company | 100% |
| Catalyst Debtco Limited | See note 1 below | Holding company | 100% |
| Sionic Global (CDHL) Limited | See note 1 below | Holding company | 100% |
| Sionic Global (CDL) Limited | See note 1 below | Management consultancy | 100% |
| UAB Catalyst Development | Vilnius g. 31, LT-01402 Vilnius | Management consultancy | 100% |
| Sionic Global (KL) Limited | See note 1 below | Management consultancy | 100% |
| Sionic Jersey Limited | Hawk House, 22 Esplanade, St. Helier, JE1 1HH, Jersey | Management consultancy | 100% |
| Sionic Bidco Limited | See note 1 below | Holding company | 100% |
| Sionic SAS | Avenida Calle 26 N 69D – 91 Of. 303 305 307 Torre Peatonal. Centro Empresarial Arrecife. Bogotá, Colombia | Management consultancy | 100% |
| Catalyst (US) Bidco, Inc. | 1209 Orange Street, Wilmington, New Castle, United States, 19801 | Holding company | 100% |
| Sionic UK Subco Limited | See note 1 below | Holding company | 100% % |
| <u>Acquired Group of Legacy Sionic entities</u> | | | |
| Sionic Advisors (Canada) LLP | See note 1 below | Holding company | 100% |
| Sionic Advisors Inc | 8 Kings Street East, Suite 838, Toronto ON M5C 1B5 | Management consultancy | 100% |
| Sionic Advisors Global Holdings LLP | See note 1 below | Holding company | 100% |
| Sionic Advisors (European Branches) LLP | See note 1 below | Holding company | 100% |
| Sionic European Holdings Limited | See note 1 below | Management consultancy | 100% |
| Sionic Advisors India Private Limited | 719, C-Wing, 215 Atrium Andheri Kurla Road, Andheri East, Mumbai, 400093, India | Management consultancy | 100% |
| Sionic Advisors (UK) LLP | See note 1 below | Holding company | 100% |
| Sionic Advisors Europe Limited | See note 1 below | Management consultancy | 100% |
| Sionic Advisors (Singapore) LLP | See note 1 below | Holding company | 100% |
| Sionic Advisors Singapore Private Limited | 8 Wilkie Road, #03-08, Wilkie Edge, Singapore 228095 | Management consultancy | 100% |
| SAGP LLC | See note 2 below | Holding company | 100% |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

| Name | Registered office | Principal activity | Holding |
|--------------------------|--------------------------|---------------------------|----------------|
| Sionic Advisors (US) LLP | See note 1 below | Holding company | 100% |
| Sionic Advisors LLC | See note 2 below | Holding company | 100% |
| Sionic Advisors LP | See note 2 below | Management consultancy | 100% |

Note 1 - All of these entities are registered at 111 Old Broad Street, London, EC2N 1AP

Note 2 - All of these entities are registered at 15 Exchange Place, Jersey City, New Jersey, NJ 07302, United States

The subsidiary entities that have taken the exemption in section 479A of the Companies Act (the Act) from the requirements of the Act for their individual entities to be audited are: Sionic Global (CBL) Limited, Catalyst Holdco Limited, Catalyst Nominee Limited, Catalyst Debtco Limited, Sionic Global (CDHL) Limited, Sionic Global (CDL) Limited, Sionic Global (KL) Limited, Sionic Bidco Limited, Sionic Advisors (Canada) LLP, Sionic Advisors Global Holdings LLP, Sionic Advisors (European Branches) LLP, Sionic European Holdings Limited, Sionic Advisors (UK) LLP, Sionic Advisors Europe Limited, Sionic Advisors (Singapore) LLP, Sionic UK Subco Limited and Sionic Advisors (US) LLP.

The guarantee given by the Company under section 479A of the Act is disclosed in note 26.

15. Debtors

| | Group 31 December 2019 £ | <i>Group 31 March 2019 £</i> | Company 31 December 2019 £ | <i>Company 31 March 2019 £</i> |
|------------------------------------|---|--|---|--|
| Trade debtors | 6,187,689 | 3,888,583 | - | - |
| Amounts owed by group undertakings | - | - | 572,016 | 129,933 |
| Other debtors | 382,336 | 746,080 | 1,998 | 1,999 |
| Prepayments and accrued income | 2,370,788 | 404,571 | - | - |
| | <u>8,940,813</u> | <u>5,039,234</u> | <u>574,014</u> | <u>131,932</u> |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

| | Group 31 December 2019 £ | <i>Group 31 March 2019 £</i> | Company 31 December 2019 £ | <i>Company 31 March 2019 £</i> |
|------------------------------------|---|--|---|--|
| Bank overdrafts (see note 18) | 639,411 | - | - | - |
| Senior debt (see note 18) | 9,650,000 | 791,913 | - | - |
| Trade creditors | 1,695,084 | 1,854,969 | - | - |
| Amounts owed to group undertakings | - | - | 6,252 | 6,252 |
| Corporation tax | 283,058 | 230,092 | - | - |
| Other taxation and social security | 1,064,359 | 1,410,012 | - | - |
| Other creditors | 533,639 | 247,863 | - | - |
| Accruals and deferred income | 3,025,993 | 1,818,602 | 94,145 | 39,145 |
| | <u>16,891,544</u> | <u><i>6,353,451</i></u> | <u>100,397</u> | <u><i>45,397</i></u> |

Contributions to defined contribution pension schemes of £73,227 (31 March 2019: £52,383) were outstanding at the year end and are included in other creditors (31 March 2019: accruals).

Amounts owed to group undertakings are repayable on demand and non-interest bearing.

The bank overdraft is carved out of a revolving credit facility entered into on 1 April 2019 and has a limit of £2,000,000. There are no securities or charges held over any Group assets. The provision of the facility is reviewed annually ahead of the expiry date of 31 March. The average interest rate over the period was 2.4%.

17. Creditors: Amounts falling due after more than one year

| | Group 31 December 2019 £ | <i>Group 31 March 2019 £</i> |
|---------------------------|---|--|
| Bank loans (see note 18) | - | 1,868,824 |
| Other loans (see note 18) | 47,761,491 | 26,709,193 |
| | <u>47,761,491</u> | <u><i>28,578,017</i></u> |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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18. Borrowings

| Group | 31 December 2019 £ | 31 March 2019 £ |
|--|-----------------------------|-----------------------|
| Due within a year | | |
| Bank overdraft | 639,411 | - |
| Senior debt (net of arrangement fee) | <u>9,650,000</u> | <u>791,913</u> |
| | <u>10,289,411</u> | <u>791,913</u> |
| Due after a year | | |
| Senior debt (net of arrangement fee) | - | 1,868,825 |
| Investor loan notes - principal and interest | 22,638,824 | 16,490,845 |
| Management loan notes - principal and interest | <u>25,122,667</u> | <u>10,218,348</u> |
| | <u>47,761,491</u> | <u>28,578,018</u> |
| | <u>58,050,902</u> | <u>29,369,931</u> |

| Maturity of debt | Bank overdraft £ | Senior debt £ | Loan notes £ | 31 December 2019 £ | Senior debt £ | Loan notes £ | 31 March 2019 £ |
|------------------------|---------------------|------------------|-------------------|-----------------------------|------------------|-------------------|-----------------------|
| Due within 1 year | 639,411 | 9,650,000 | - | 10,289,411 | 791,913 | - | 791,913 |
| Due within 1 - 2 years | - | - | - | - | 791,913 | - | 791,913 |
| Due within 2 - 5 years | - | - | 15,920,497 | 15,920,497 | 1,076,911 | 15,897,119 | 16,974,030 |
| Due after 5 years | - | - | 31,840,994 | 31,840,994 | - | 10,812,074 | 10,812,074 |
| | <u>639,411</u> | <u>9,650,000</u> | <u>47,761,491</u> | <u>58,050,902</u> | <u>2,660,737</u> | <u>26,709,193</u> | <u>29,369,930</u> |

Senior debt

The senior debt with Lloyds Banking Group at the 31 March 2019 was fully repaid on 1 April 2019.

To fund the acquisition of the Sionic group, a £10,000,000 loan was borrowed from Tosca Debt Capital (Luxembourg) S.a.r.l. ("the Lenders"). The arrangement fee of £400,000 is initially netted off against the loan but is unwound over the loan period by recognising an amortisation charge in administrative expenses. The termination of the loan is 6 years from completion of the business combination, being the 1 April 2025. Interest on the loan amounted to £713,714 during the period. The interest rate charged during the period was between 8.5% and 9.0% plus Euribor.

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Senior debt (continued)

The loan is shown as a current liability as at 31 December 2019 as the December 2019 quarterly adjusted leverage covenant was breached. Under the terms of the credit agreement, the loan became immediately repayable. However, as disclosed in note 25, as on 30 November 2020, a new credit agreement with amended terms was agreed with the lenders where the termination date remained unchanged and the reset covenants were effective as of 29 September 2020. The new financial covenants were waived for the quarter ended 30 September 2020 and are forecast to be complied with at 31 December 2020. From the 1 January 2020, an additional 3% of interest charge is added to the loan, rolled up at the end of each calendar year, and payable at the termination date.

Loan notes

As a result of the business combination on 1 April 2019, additional A loan notes of £4,629,012, B loan notes of £1,178,049, B1 loan notes of £5,986,926, B2 loan notes of £2,021,118 and B3 loan notes of £4,042,235 were issued by Sionic Global (CBL) Limited. The B1 loan notes are denominated in US dollars. All other loan notes are denominated in sterling.

The loan notes carried interest at 9% through to 30 September 2019. The interest rate then increases 1% per year from 1 October to a maximum of 12%. Interest accrues daily and any unpaid interest is rolled up and compounded quarterly with the principal sum.

One third of the initial principal sum and accrued interest thereon is repayable on 25 December 2024, a third on 25 December 2025, and the final third on 30 September 2026.

19. Deferred taxation

Group

| | 2019 £ |
|----------------------------------|---------------------------|
| Charged to profit or loss | 100,777 |
| Prior year adjustment | (25,985) |
| Arising on business combinations | (1,310,360) |
| At end of year | <u>(1,235,568)</u> |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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19. Deferred taxation (continued)

| | Group 31 December 2019 £ |
|--|---|
| Prior year adjustment | (25,985) |
| Tax timing differences on recognised intangible assets | (1,212,083) |
| Other tax timing differences | 2,500 |
| | <u>(1,235,568)</u> |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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20. Share capital

| | 31 December 2019 £ | 31 March 2019 £ |
|--|---------------------------------------|--------------------------------|
| Allotted, issued and fully paid | | |
| 5,473,264 (31 March 2019 - 5,473,264) A shares of £0.00060 each | 3,284 | 3,284 |
| 3,821,505 (31 March 2019 - 1,653,616) A1 shares of £0.00001 each | 38 | 17 |
| 1,435,029 (31 March 2019 - 1,435,029) B1 shares of £0.00100 each | 1,435 | 1,435 |
| 120,072 (31 March 2019 - 120,072) B2 shares of £0.00400 each | 480 | 480 |
| 499,504 (31 March 2019 - 499,504) B3 shares of £0.00200 each | 999 | 999 |
| 472,131 (31 March 2019 - 472,131) B4 shares of £0.00001 each | 5 | 5 |
| 100,000 (31 March 2019 - 100,000) C1 shares of £0.00400 each | 400 | 400 |
| 100,000 (31 March 2019 - 100,000) C2 shares of £0.00400 each | 400 | 400 |
| 100,000 (31 March 2019 - 100,000) C3 shares of £0.00400 each | 400 | 400 |
| 1,693,094 (31 March 2019 - 1,325,000) D shares of £0.00001 each | 17 | 13 |
| 200,000 (31 March 2019 - 200,000) E shares of £0.00001 each | 2 | 2 |
| 1,717,366 (31 March 2019 - 1,823,947) F shares of £0.00001 each | 17 | 18 |
| 318,900 (31 March 2019 - 318,900) F1 shares of £0.00001 each | 3 | 3 |
| 6,942,501 (31 March 2019 - nil) G shares of £0.00001 each | 69 | - |
| | 7,549 | 7,456 |

The called up share capital reserve represents the nominal value of the shares issued.

The A and A1 shares have an aggregate class voting right of 50.1% (shared across both classes based on the number of shares of each class in issue). The B1, B2, B3, C1, C2, C3, D, E, F, F1 and G shares have 1 vote per share; the votes from these shares total the remaining 49.9% of voting rights. The B4 and H shares have no voting rights.

The following shares were issued by the Company during the period:

- 2,429,402 A1 shares of £0.00001 each
- 6,942,501 G shares of £0.00001 each

21. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Foreign exchange reserve

This account is for the foreign exchange differences that are taken to other comprehensive income on consolidation of overseas subsidiaries (see accounting policy 2.6).

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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22. Business combinations

On 1 April 2019, Catalyst Debtco Limited acquired 100 per cent of the capital of the Sionic group of entities (the "Sionic Group"), disclosed in note 14. The group consists of a number of trading companies which perform management consultancy services for leading financial institutions in the US, Canada, the UK, Spain, Switzerland and India, as well as holding companies. The total consideration for the acquisition comprised cash consideration of £11,506,581, £326,258 in ordinary shares issued by the Company and £13,179,556 in loan notes issued by Sionic Global (CBL) Limited.

The goodwill arising on acquisition of £16,840,013 is considered to have a useful life of 10 years.

The acquisition of the Sionic Group has been accounted for using the purchase method of accounting. At 1 April 2019 (the 'acquisition date'), the assets and liabilities of the group were consolidated at their fair values, as set out below:

| | Book value £ | Fair value adjustment £ | Fair value at date of acquisition £ |
|--|------------------|-------------------------------|--|
| Intangible | 32,968 | 7,708,000 | 7,740,968 |
| Tangible | 60,526 | - | 60,526 |
| | <u>93,494</u> | <u>7,708,000</u> | <u>7,801,494</u> |
| Stocks | 18,957 | - | 18,957 |
| Debtors | 4,418,463 | - | 4,418,463 |
| Cash at bank and in hand | 1,201,368 | - | 1,201,368 |
| Total assets | <u>5,732,282</u> | <u>7,708,000</u> | <u>13,440,282</u> |
| Due within one year | (3,957,540) | - | (3,957,540) |
| Deferred tax on differences between fair value and tax bases | - | (1,310,360) | (1,310,360) |
| Total identifiable net assets | <u>1,774,742</u> | <u>6,397,640</u> | <u>8,172,382</u> |
| Goodwill | | | <u>16,840,013</u> |
| Total consideration | | | <u>25,012,395</u> |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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22. Business combinations (continued)
Satisfied by:

| | £ |
|----------------------------|--------------------------|
| Cash | 11,506,581 |
| Equity instruments | 326,258 |
| Debt instruments | 13,179,556 |
| Total consideration | <u>25,012,395</u> |

Cash outflow on acquisition

| | £ |
|--|--------------------------|
| Purchase consideration settled in cash | 9,523,313 |
| Directly attributable costs | 2,383,268 |
| | <u>11,906,581</u> |
| Less cash and add overdraft acquired | 187,028 |
| Net cash outflow on acquisition | <u>12,093,609</u> |

The goodwill arising on acquisition of £16,840,013 is considered to have a useful life of 10 years. This goodwill is recognised after recognition of £6,551,000 in fair value for the target group's customer relationships and contracts, and £1,157,000 in fair value for its trademarks.

The results of the Sionic group of entities since its acquisition to 31 December 2019 are as follows:

| | Current period since acquisition £ |
|---------------------|---|
| Turnover | <u>14,643,274</u> |
| Loss for the period | <u>(447,299)</u> |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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23. Commitments under operating leases

At 31 December 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

| | 31 December 2019 £ | <i>31 March 2019 £</i> |
|--|---------------------------------------|--------------------------------|
| Group | | |
| Not later than 1 year | 740,881 | <i>169,487</i> |
| Later than 1 year and not later than 5 years | 1,953,104 | <i>2,295,078</i> |
| Later than 5 years | 1,892,504 | <i>1,894,667</i> |
| | <u>4,586,489</u> | <i><u>4,359,232</u></i> |

24. Related party transactions

Livingbridge Enterprise LLP:

Livingbridge Enterprise LLP is a related party of the Group as it has the ability to exercise influence over the financial and operating policies of the Group through its indirect holding of 50.1% of the voting rights of the Company and two Board Directors.

| | 31 December 2019 £ | <i>31 March 2019 £</i> |
|--|---------------------------------------|--------------------------------|
| Livingbridge Enterprise LLP holds loan instruments as follows: | | |
| Principal investor loan notes | 19,320,894 | <i>14,691,882</i> |
| Accrued interest | 3,317,930 | <i>1,798,962</i> |
| | <u>22,638,824</u> | <i><u>16,490,844</u></i> |

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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Related party transactions (continued)

During the period £1,518,968 (year ended 31 March 2019: £1,334,092) interest was charged on the Investor Loan Notes.

| | 31 December 2019 £ | 31 March 2019 £ |
|---|-----------------------------|-----------------------|
| The Directors and senior officers of the Company hold Management Loan Notes as follows: | | |
| Loan notes | 22,382,126 | 3,260,877 |
| Accrued interest | 2,740,542 | 420,258 |
| Balance at the end of the year | 25,122,668 | 3,681,135 |

During the period £1,675,991 (year ended 31 March 2019: £298,042) interest was charged on the Directors and senior officer loan notes.

Knadel Software Solutions Limited:

Two current employees of the Group were former Directors of Sionic Global (KL) limited (formerly known as Knadel Limited), a company within the Group. They are also directors of Knadel Software Solutions Limited.

During the period, the Group incorrectly received £128,400 from a client of Knadel Software Solutions Limited. This money was transferred over to Knadel Software Solutions Limited. At the period end, there were no balances owed between the companies.

25. Post balance sheet events

In March 2020, COVID-19 was declared a global pandemic which has resulted in a global recession. The impact of COVID-19 on the Group's ability to continue as a going concern has been assessed as part of the Strategic' report on page 1 and going concern policy on page 20.

On 30 November 2020, a further £2,000,000 was invested by shareholders in exchange for £2,596 of newly issued share capital, and £1,966,000 of sterling denominated loan notes. The share premium on the issued shares amounted to £31,404.

On the same date, loan note principal and accrued interest thereon in Sionic Global (CBL) Limited amounting to £19,000,000 were waived in exchange for 23,336,254,387 £0.0000000000001 shares. These shares were in turn exchanged via share for share for an equivalent number of £0.000001 newly issued shares in the Company. These newly issued shares comprise of 11,134,362,7888 J shares and 12,201,891,599 K shares and their issue resulted in an increase in capital and reserves of £14,178,035.

As part of the refinancing, an informal valuation of the Group was completed on 30 November 2020 which indicated that an impairment review of the carrying value of the Group's intangibles would be required to be completed by the Directors. This review is on-going and the financial effect cannot currently be estimated.

SIONIC GLOBAL (CTL) LIMITED (FORMERLY CATALYST TOPCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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26. Contingent liabilities

In order for the following entities to take the audit exemption in section 479 A of the Companies Act 2006, the Company has guaranteed all outstanding liabilities of those subsidiary companies at 31 December 2019 until these liabilities are satisfied in full: Sionic Global (CBL) Limited, Catalyst Holdco Limited, Catalyst Nominee Limited, Catalyst Debtco Limited, Sionic Global (CDHL) Limited, Sionic Global (CDL) Limited, Sionic Global (KL) Limited, Sionic Bidco Limited, Sionic Advisors (Canada) LLP, Sionic Advisors Global Holdings LLP, Sionic Advisors (European Branches) LLP, Sionic European Holdings Limited, Sionic Advisors (UK) LLP, Sionic Advisors Europe Limited, Sionic Advisors (Singapore) LLP, Sionic UK Subco Limited and Sionic Advisors (US) LLP.

27. Controlling party

The company is controlled by funds managed by Livingbridge Enterprise LLP. There is no single ultimate controlling party across those funds.