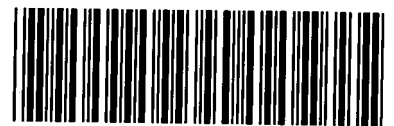


PULSANT (SOUTH GYLE) LIMITED
Annual Report and Financial Statements
For the financial year ended 31 December 2019

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PULSANT (SOUTH GYLE) LIMITED
Annual Report and Financial Statements
For the financial year ended 31 December 2019

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PULSANT (SOUTH GYLE) LIMITED

COMPANY INFORMATION

For the financial year ended 31 December 2019

DIRECTORS

R A Coupland
B M Petzer

REGISTERED OFFICE

Sirius House
The Clocktower
Flassches Yard
Edinburgh
EH12 9LB
United Kingdom

COMPANY NUMBER

SC195354 (Scotland)

AUDITOR

Deloitte LLP
110 Queen St.
Glasgow
G1 3BX
United Kingdom

BANKERS

HSBC Bank
69 Pall Mall
London
SW1Y 5EY

SOLICITORS

Ropes & Gray
60 Ludgate Hil
London
EC4M 7AW

PULSANT (SOUTH GYLE) LIMITED

STRATEGIC REPORT

For the financial year ended 31 December 2019

The directors present their Strategic Report for the Company for the year ended 31 December 2019.

REVIEW OF THE BUSINESS

In the prior year, the Pulsant Group undertook a programme to simplify its corporate structure. On 31 December 2018, all of the assets and liabilities of Pulsant (South Gyle) Limited ("Pulsant") were transferred into Pulsant Limited, the main trading entity.

As the Company has not contributed to the external revenue of the Group, no Key Performance Indicators have been specifically monitored for this Company and therefore the directors have concluded that no disclosure is required in relation to these as they would be meaningless in the context of this specific entity on its own.

PRINCIPAL RISKS AND UNCERTAINTIES

Full disclosure of the risks facing the Group are included in the financial statements of Pulsant Group Holdings Limited, which are publicly available.

The principal risks and uncertainties of the Company are managed as part of Group wide policies. There are however certain risks which affect this Company more widely, as noted below.

Economic and market risks

The business environment and the level of general economic activity in the UK affect the demand for Group's services. Any changes in economic activity may impact the demand for its services and may therefore have an impact on this specific Company.

Liquidity and interest rate risk

The Company manages liquidity risk by closely monitoring cash flow and forecasting cash flow for future periods. This is managed on a group basis and the Pulsant group's cash flow forecasts are updated regularly to ensure that sufficient funds are available to meet all financial commitments. Adequate cash reserves and banking facilities are maintained to support the future growth of the business.

COVID-19

The current pandemic has had a material impact on the business, its employees, customers and suppliers. A specific and dedicated COVID-19 risk committee was established in March 2020 to manage the Group's response to the pandemic. This committee is responsible for monitoring the threat levels and pronouncements from the governments and various health bodies. It is also responsible for implementing risk mitigation strategies to ensure that our employees, customers and suppliers are safe guarded, to ensure that the business can continue to deliver services to its customers and to ensure that supply-chain risk can be managed. It is also responsible for managing the internal and external communication plans.

FUTURE DEVELOPMENTS

The directors expect the general level of activity to remain consistent with 2019 in the forthcoming year.

PULSANT (SOUTH GYLE) LIMITED

STRATEGIC REPORT (continued)

For the financial year ended 31 December 2019

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

Brad Petzer

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B M Petzer

Director

Sirius House

The Clocktower

Flassches Yard

Edinburgh

EH12 9LB

United Kingdom

Date: July 16, 2020

PULSANT (SOUTH GYLE) LIMITED

DIRECTORS' REPORT

For the financial year ended 31 December 2019

The directors present their annual report on the affairs of the Company, together with the financial statements, for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

A description of the activities, strategy and business review is provided in our Strategic Report. This also provides a full description of all the risks that the directors believe that the Company and wider Group is subject to.

GOING CONCERN

The Directors, in their consideration of whether the Company is a going concern, have reviewed the Group's future cash forecasts and revenue projections, which have been prepared on the basis of market knowledge, past experience and current trading conditions.

The banking facilities are provided on a group wide basis, and the directors are of the opinion that the Company and the Group's forecasts and revenue projections, taking account of reasonable possible changes in trading performance, show that the Company and the Group should be able to operate within its current facilities. The Directors are mindful that the Company and the Group's management team has a strong focus on liquidity and cash flow management and that it is currently financed through term loan facilities expected to mature in 2023.

Since the end of 2019, the rapid spreading of COVID-19 has become a significant emerging risk to the global economy. As a result of this, the directors have considered the impact of COVID-19 on the Group's business and as noted in the Strategic Report, a specific and dedicated committee was set up to consider the impact on the business. As well as focusing on the impact on the health of staff, customer and suppliers alike, the committee also considered the impact on the Group's forecasts and funding positions. Within this review, the committee considered the Group's operational response with operations successfully transitioned to home working by the time the official lock down was announced in late March 2020. The Committee also considered how the pandemic might impact the Group's customer base and so performed a detailed review over the Group's contract bank covering over 75% of the contracts. This review considered the industry sector each customer operated in concluding that the Group's diverse customer base reduces the risk of any issues arising from over exposure to customers in certain industries more significantly impacted by COVID-19. To date, the Group has not seen any real change in payments from customers, evidencing that the Group's services are in many cases business critical services for our customers. The committee also assessed supply chain risk, communicating with all critical suppliers to ensure continuity of supply. To date no material issues have arisen but the committee has plans in place if required.

PULSANT (SOUTH GYLE) LIMITED
DIRECTORS' REPORT (continued)
For the financial year ended 31 December 2019

GOING CONCERN

Having considered the above factors, the committee updated the Group's forecasts for various potential impacts including reduction in new win rates, increased customer churn, extension of debtor days and deferral of certain costs and discretionary spend. These scenarios were modelled over a period of time that forecast it would be mid 2021 before business returned to normal. Additional downside scenarios were also considered, extending the extent and period of the impact on the business. Under these forecast positions, the Group has significant liquidity and covenant headroom for the foreseeable future and although an additional £10m of committed funding was drawn down under the Group's existing revolving credit facility, it is not expected to be used and indeed the Group expects to repay this in the near future. The Group has continued to perform well through Q2 and as at end of June 2020 has £21m of available funding/cash.

The Directors continued to monitor the impact of the virus on the business as more information about the pandemic emerges with particular focus on the impact on staff shortages and operating delays. At the time of authorising the financial statements, the directors do not consider COVID 19 to impact the Group or company's ability to continue as a going concern and consider the balance sheet to be appropriately valued.

Having assessed the responses of the Directors of Pulsant Group Holdings Limited to their enquiries and based on the forecast and projections, the Group's committed debt position and the projected cash generation from trading, the Directors continue to adopt the going concern basis in preparing the financial statements.

REVIEW OF THE BUSINESS

Turnover for the financial year amounted to £Nil (2018: £16,804,654). The Company earned a profit after taxation totalling £578 (2018: £3,406,195).

The net current asset position of the Company for the financial year amounted to £1,576 (2018: net current asset £998).

The net asset position of the Company for the financial year amounted to £1,576 (2018: net asset £998).

No dividend was paid or proposed during the year or prior year.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of the Company and Group's financial risk management objectives have been disclosed in the Strategic Report and form part of this report by cross reference. Pulsant (South Gyle) Limited does not use derivative financial instruments for speculative purposes.

DIRECTORS

The directors, who served during the financial year and to the date of this report except as noted; were as follows:

R A Coupland	(Appointed 28 October 2019)
B M Petzer	
N Sanfridsson	(Resigned 01 November 2019)

PULSANT (SOUTH GYLE) LIMITED

DIRECTORS' REPORT (continued)

For the financial year ended 31 December 2019

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the financial year and remain in force at the date of this report.


AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that they ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

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B M Petzer
Director

Sirius House
The Clocktower
Flassches Yard
Edinburgh
EH12 9LB
United Kingdom

Date: July 16, 2020

PULSANT (SOUTH GYLE) LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
For the financial year ended 31 December 2019

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial period.

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

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PULSANT (SOUTH GYLE) LIMITED**

For the financial year ended 31 December 2019

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Pulsant (South Gyle) Limited (the 'Company'):

- Give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the financial year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- The Profit and Loss Account;
- The Balance Sheet;
- The Statement of Changes in Equity; and
- The related notes 1 to 13.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- The directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PULSANT (SOUTH GYLE) LIMITED (continued)
For the financial year ended 31 December 2019**

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 auditor's 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.

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 respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PULSANT (SOUTH GYLE) LIMITED (continued)
For the financial year ended 31 December 2019**

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and The Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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David Mitchell CA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
110 Queen St.

Glasgow
G1 3BX
United Kingdom

Date: July 17, 2020

PULSANT (SOUTH GYLE) LIMITED
PROFIT AND LOSS ACCOUNT
For the financial year ended 31 December 2019

	Note	2019	2018
		£	£
Turnover	3	-	16,804,654
Cost of sales		-	(8,876,699)
Gross profit		-	7,927,955
Administrative expenses		-	(3,671,577)
Operating profit		-	4,256,378
Finance costs (net)	4	-	(472,112)
Profit before taxation	5	-	3,784,266
Tax on profit	8	578	(378,071)
Profit for the financial year attributable to the equity shareholders of the Company		578	3,406,195

All amounts relate to continuing operations.

There were no recognised gains and losses for 2019 and 2018 other than those included in the Profit and Loss Account.

There are no additional items which should be included in a Statement of Comprehensive Income in either the current or prior year. Accordingly, no such statement is presented.

PULSANT (SOUTH GYLE) LIMITED**BALANCE SHEET****As at 31 December 2019**

	Note	2019 £	2018 £
Current assets			
Debtors	10	1,576	998
		1,576	998
Net current assets		1,576	998
Total assets less current liabilities		1,576	998
Net assets		1,576	998
Capital and reserves			
Called-up share capital	11	2	2
Profit and loss account		1,574	996
Total shareholders' funds		1,576	998

The financial statements of Pulsant (South Gyle) Limited (registered number: SC195354) were approved and authorised for issue by the Board of Directors on July 16, 2020. They were signed on its behalf by:

DocuSigned by:

Brad Petzer

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B M Petzer
Director

PULSANT (SOUTH GYLE) LIMITED
STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2019

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 01 January 2019	2	996	998
Profit for the financial year	-	578	578
Total comprehensive income	-	578	578
At 31 December 2019	2	1,574	1,576
At 01 January 2018	2	(3,405,199)	(3,405,197)
Profit for the financial year	-	3,406,195	3,406,195
Total comprehensive income	-	3,406,195	3,406,195
At 31 December 2018	2	996	998

PULSANT (SOUTH GYLE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2019

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies and measurement bases have all been applied consistently throughout the financial year and the preceding financial year.

General information and basis of accounting

Pulsant (South Gyle) Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is Sirius House, The Clocktower, Flassches Yard, Edinburgh, EH12 9LB, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 3.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

The functional currency of Pulsant (South Gyle) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Pulsant (South Gyle) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Pulsant (South Gyle) Limited is consolidated in the financial statements of its parent, Pulsant Parent Limited, which may be obtained from the address given in note 13. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The Directors, in their consideration of whether the Company is a going concern, have reviewed the Group's future cash forecasts and revenue projections, which have been prepared on the basis of market knowledge, past experience and current trading conditions.

The banking facilities are provided on a group wide basis, and the directors are of the opinion that the Company and the Group's forecasts and revenue projections, taking account of reasonable possible changes in trading performance, show that the Company and the Group should be able to operate within its current facilities. The Directors are mindful that the Company and the Group's management team has a strong focus on liquidity and cash flow management and that it is currently financed through term loan facilities expected to mature in 2023.

PULSANT (SOUTH GYLE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2019

Going concern

Since the end of 2019, the rapid spreading of COVID-19 has become a significant emerging risk to the global economy. As a result of this, the directors have considered the impact of COVID-19 on the Group's business and as noted in the Strategic Report, a specific and dedicated committee was set up to consider the impact on the business. As well as focusing on the impact on the health of staff, customer and suppliers alike, the committee also considered the impact on the Group's forecasts and funding positions. Within this review, the committee considered the Group's operational response with operations successfully transitioned to home working by the time the official lock down was announced in late March 2020. The Committee also considered how the pandemic might impact the Group's customer base and so performed a detailed review over the Group's contract bank covering over 75% of the contracts. This review considered the industry sector each customer operated in concluding that the Group's diverse customer base reduces the risk of any issues arising from over exposure to customers in certain industries more significantly impacted by COVID-19. To date, the Group has not seen any real change in payments from customers, evidencing that the Group's services are in many cases business critical services for our customers. The committee also assessed supply chain risk, communicating with all critical suppliers to ensure continuity of supply. To date no material issues have arisen but the committee has plans in place if required.

Having considered the above factors, the committee updated the Group's forecasts for various potential impacts including reduction in new win rates, increased customer churn, extension of debtor days and deferral of certain costs and discretionary spend. These scenarios were modelled over a period of time that forecast it would be mid 2021 before business returned to normal. Additional downside scenarios were also considered, extending the extent and period of the impact on the business. Under these forecast positions, the Group has significant liquidity and covenant headroom for the foreseeable future and although an additional £10m of committed funding was drawn down under the Group's existing revolving credit facility, it is not expected to be used and indeed the Group expects to repay this in the near future. The Group has continued to perform well through Q2 and as at end of June 2020 has £21m of available funding/cash.

The Directors continued to monitor the impact of the virus on the business as more information about the pandemic emerges with particular focus on the impact on staff shortages and operating delays. At the time of authorising the financial statements, the directors do not consider COVID 19 to impact the Group or company's ability to continue as a going concern and consider the balance sheet to be appropriately valued.

Having assessed the responses of the Directors of Pulsant Group Holdings Limited to their enquiries and based on the forecast and projections, the Group's committed debt position and the projected cash generation from trading, the Directors continue to adopt the going concern basis in preparing the financial statements.

PULSANT (SOUTH GYLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2019

Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts.

Revenue recognition

Services - revenue from cloud services, managed hosting, managed applications, managed networks and colocation is recognised on a straight line basis over the contract term.

Non-refundable set up fees - revenue generated from setting up customers at the incorporation of new or improved services is recognised on the date the service commences. For contracts that cover multiple years and for which set up fees are linked to the multiple year nature of the contract, such fees are recognised over the period of the contract.

To the extent that invoices are raised to a different pattern from the dates of the recognition of revenues described above, appropriate adjustments are made through deferred or accrued income.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

PULSANT (SOUTH GYLE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2019

Taxation

Where items recognised in the Statement of Comprehensive Income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the Company and the Company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Leases

The Company as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced to below its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

If at the end of the reporting period, there is objective evidence of impairment (including observable data about loss events), the Company recognises an impairment loss in the Profit and Loss Account immediately. For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

PULSANT (SOUTH GYLE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2019

Financial instruments

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

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

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Profit and Loss Account, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

PULSANT (SOUTH GYLE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2019

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through the Profit and Loss Account.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

PULSANT (SOUTH GYLE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the financial year ended 31 December 2019****2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the directors, there are no critical accounting judgements or key sources of estimation uncertainty which affect the Company's financial statements.

3. Turnover**Breakdown business class:**

An analysis of the Company's turnover by class of business is set out below.

	2019	2018
	£	£
Services	-	16,582,999
Setup fees	-	221,655
	-	16,804,654

The turnover and profit before taxation are attributable to the one principal activity of the Company.

4. Finance costs (net)

	2019	2018
	£	£
Interest payable and similar expenses	-	1,162,412
Interest receivable and similar income	-	(690,300)
	-	472,112

Interest payable and similar expenses

	2019	2018
	£	£
Bank loans and overdrafts	-	143,712
Loans from group undertakings	-	1,018,700
	-	1,162,412

PULSANT (SOUTH GYLE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the financial year ended 31 December 2019****Interest receivable and similar income**

	2019	2018
	£	£
Interest from group undertakings	-	(690,300)
	-	(690,300)

5. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of owned fixed assets	-	2,562,615
Operating lease rentals	-	417,600

Auditor's remuneration in respect of the statutory audit is borne by Pulsant Acquisitions Limited. Non-audit fees are disclosed in the financial statements of the ultimate parent undertaking.

6. Staff number and costs

The entity has no direct employees in the current year (2018: none). £nil (2018: £3,251,913) has been recharged by Pulsant Limited to the Company for employee related services.

7. Directors' remuneration

Pulsant (South Gyle) Limited is a wholly owned indirect subsidiary of Pulsant Acquisitions Limited.

R Coupland and B Petzer are also directors of Pulsant Acquisitions Limited. N Sanfridsson resigned during the year. The directors received total remuneration of £545,802 (2018: £582,671) from Pulsant Acquisitions Limited, but it is not practicable to allocate this between their services as directors of Pulsant Acquisitions Limited and Pulsant South Gyle Limited.

During the year £nil (2018: £42,912) was payable to a director to compensate for loss of office.

PULSANT (SOUTH GYLE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2019

8. Tax on profit

	2019	2018
	£	£
Current tax on profit		
UK corporation tax	-	529,675
Adjustments in respect of prior years		
UK corporation tax	(578)	2,838
Total current tax	(578)	532,513
Deferred tax		
Origination and reversal of timing differences	-	(169,816)
Adjustment in respect of previous periods	-	(2,780)
Effect of changes in tax rate	-	18,154
Total deferred tax	-	(154,442)
Total tax on profit	(578)	378,071

The UK corporation tax rate for the year was 19%.

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2019 continue to be measured at a rate of 17%.

Tax reconciliation

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK:

	2019	2018
	£	£
Profit before tax	-	3,784,266
Tax on profit at standard UK corporation tax rate of 19.00% (2018: 19.00%)	-	719,011
Effects of:		
- Expenses not deductible for tax purposes	-	47,757
- Adjustments in respect of prior years	(578)	18,154
- Group relief not paid	-	(406,909)
- Tax rate changes	-	58
Total tax (credit)/charge for year	(578)	378,071

PULSANT (SOUTH GYLE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2019

9. Deferred tax

	2019	2018
	£	£
Asset at start of the year	-	625,344
Deferred tax expense to Statement Of Comprehensive Income for the period	-	151,662
Adjustment in respect of prior years	-	2,780
Transfer to other companies	-	(779,786)
	-	-
	2019	2018
	£	£
Accelerated capital allowances	-	-
Short term timing differences	-	-
	-	-

10. Debtors

	2019	2018
	£	£
Amounts owed by Group undertakings	1,576	998
	1,576	998

Amounts owed by Group undertakings are repayable on demand and accrue interest at a rate of 5%.

The Group has fixed and floating charges on its assets.

11. Called-up share capital & reserves

	2019	2018
	£	£
Allotted, called-up and fully-paid		
2 ordinary shares of £1.00 each	2	2
	2	2
Presented as follows:		
Called-up share capital presented as equity	2	2
	2	2

The Company's other reserves are as follows:

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

PULSANT (SOUTH GYLE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2019

12. Events after the balance sheet date

Financing

On 18 June 2020 a subsidiary of the Group, Pulsant Group Limited, issued £20,000,000 of new Senior Secured Loan Notes to existing investors. This capital injection was loaned down the company structure through Intercompany Loan Agreements to Pulsant Acquisitions Limited who used it to make a voluntary prepayment of the Senior Term Loan B to the same value. This does not impact the current year results.

COVID-19

The current pandemic has had an impact on businesses and individuals around the world, including Pulsant's employees, customers and suppliers. A specific and dedicated COVID-19 risk committee was established in March 2020 to manage the Group's response to the pandemic. This committee is responsible for monitoring the threat levels and pronouncements from the governments and various health bodies. It is also responsible for implementing risk mitigation strategies to ensure that our employees, customers and suppliers are safe guarded, to ensure that the business can continue to deliver services to its customers and to ensure that supply-chain risk can be managed. It is also responsible for managing the internal and external communication plans. This does not impact the current year results.

13. Controlling party

The immediate parent undertaking of the Company is Scolocate (Holdings) Limited, which is a company registered in Scotland.

The largest UK group in which the results of this Company are consolidated is that headed by Pulsant Group Holdings Limited (registered office address Blue Square House, Priors Way, Maidenhead, SL6 ZHP). The smallest group in which the results of this Company are consolidated is that headed by Pulsant Parent Limited (registered office address Blue Square House, Priors Way, Maidenhead, SL6 ZI-IP). Copies of the consolidated financial statements of Pulsant Parent Limited and Pulsant Group Holdings Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is OHCP MGP III Limited (registered office address c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005 Cayman Islands).