

Company Registration No. 03030275 (England and Wales)

BUSINESS BY TECHNOLOGY GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020
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BUSINESS BY TECHNOLOGY GROUP LIMITED

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BUSINESS BY TECHNOLOGY GROUP LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	3		165,798		220,798
Tangible assets	4		-		358,195
			165,798		578,993
Current assets					
Stocks		30,956		1,192,654	
Debtors	5	2,594,523		5,354,840	
Cash at bank and in hand		66,486		1,069,453	
		2,691,965		7,616,947	
Creditors: amounts falling due within one year	6	(1,266,352)		(5,203,429)	
Net current assets			1,425,613		2,413,518
Total assets less current liabilities			1,591,411		2,992,511
Creditors: amounts falling due after more than one year	7		-		(46,436)
Net assets			1,591,411		2,946,075
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			1,591,311		2,945,975
Total equity			1,591,411		2,946,075

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 31 March 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

BUSINESS BY TECHNOLOGY GROUP LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

The financial statements were approved by the board of directors and authorised for issue on 30 November 2020 and are signed on its behalf by:

K Coveney
Director

Company Registration No. 03030275

BUSINESS BY TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

Company information

Business By Technology Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1-2 Castle Lane, London, SW1E 6DR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

1.2 Going concern

The company is a member of the Harrow Topco Limited group ('the group'). The group meets its day-to-day working capital requirements through its own cash balances and committed banking/funding facilities. In assessing the appropriateness of adopting the going concern basis in the preparation of these financial statements, the directors have reviewed the group's budgets and projected cash flow statements for the period through to March 2022 and in doing so considered reasonable, possible changes over the forecast period. The review considered the forecast operating cash flows generated, cashflow implications of the group's strategic plans and the forecast impact of the Covid-19 pandemic on the business.

A sensitivity analysis has been performed and currently the revised forecasts are showing a positive cash balance of £11.5m at the end of March 2022. Management consider that these sensitised forecasts have been conservatively prepared and have modelled a 13% reduction from the current levels of trading. Stress testing the assumptions and decreasing forecasted revenue by 20%, the group is expected to remain in a strong cash position with a cash balance of £8.0m at March 2022. The directors do not consider this downside to be a plausible scenario, as group revenue is recovering strongly since late summer and the directors take confidence from news of a vaccine which should help provide more confidence in the broader economy. The group negotiated an amendment to its banking covenants to reflect the challenges presented by the pandemic and it anticipates comfortably meeting these new measures for the duration of the going concern review period.

The directors reacted swiftly to the challenges presented by the pandemic and put in place initiatives to enable cash generation as well as streamline costs and processes including (but not limited to):

- Adding resources dedicated to billing and collection activity, as well as the streamlining of some processes
- Negotiating improved supplier payment terms where possible without jeopardising these important relationships
- Reducing staff numbers overall, whilst also making key appointments to strengthen capability in core areas
- Further realising post-integration cost reduction opportunities

The directors are confident that based on their current forecast view, the group has adequate resources to meet all going concern requirements, and do not consider that a material uncertainty exists over the group's ability to continue as a going concern. The directors therefore continue to prepare the financial statements on a going concern basis.

BUSINESS BY TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.3 Reporting period

The company was acquired by Harrow Topco Limited during the year and therefore has changed its accounting reference date to 31 March, in line with its parent. Consequently the financial statements for 2020 are for an 11 month period. The results are not therefore directly comparable with those of the preceding year.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services 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, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	10% to 33% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

BUSINESS BY TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

BUSINESS BY TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

BUSINESS BY TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

BUSINESS BY TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2020 Number	2019 Number
Total	34	45

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 May 2019 and 31 March 2020	575,994
Amortisation and impairment	
At 1 May 2019	355,196
Amortisation charged for the period	55,000
At 31 March 2020	410,196
Carrying amount	
At 31 March 2020	165,798
At 30 April 2019	220,798

BUSINESS BY TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2020

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 May 2019	1,177,787
Disposals	(419,869)
Transfers	(757,918)
At 31 March 2020	-
Depreciation and impairment	
At 1 May 2019	819,592
Depreciation charged in the period	65,349
Eliminated in respect of disposals	(386,895)
Transfers	(498,046)
At 31 March 2020	-
Carrying amount	
At 31 March 2020	-
At 30 April 2019	358,195

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	279,089	1,779,372
Corporation tax recoverable	-	19,500
Amounts owed by group undertakings	2,207,685	3,302,340
Other debtors	107,749	231,778
	2,594,523	5,332,990
Deferred tax asset	-	21,850
	2,594,523	5,354,840

BUSINESS BY TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	1,809,479
Amounts owed to group undertakings	686,463	2,219,348
Corporation tax	239,060	353,831
Other taxation and social security	1,147	431,814
Other creditors	339,682	388,957
	1,266,352	5,203,429

7 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	-	46,436

8 Parent company

The Company is a subsidiary undertaking of Harrow Topco Limited, whose registered office is 1-2 Castle Lane London SW1E 6DR. This is the smallest and largest group for which consolidated accounts are prepared which include the results of the company. Consolidated accounts are available from 1-2 Castle Lane London SW1E 6DR.

The Company's ultimate parent undertaking is H.I.G. Europe Capital Partners II, LP, an entity incorporated in the Cayman Islands.