Company Registration No. 11362878 (England and Wales)

HARROW TOPCO LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

HARROW TOPCO LIMITED

COMPANY INFORMATION

Directors	J Huttunen	
	L H L Batchelor	(Appointed 6 May 2021)
	M Oxley	(Appointed 9 November 2021)
	NW Janks	(Appointed 9 November 2021)
	A J Moffitt	(Appointed 22 April 2021)
Company number	11362878	
Registered office	1-2 Castle Lane London SW1E 6DR	
Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG	

HARROW TOPCO LIMITED

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HARROW TOPCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

In a challenging and unprecedented year, the group shifted its focus from acquisitive growth to that of improving operational efficiencies as well as developing customer care and retention strategies. In correlation with dampened servicing demands due to nationwide restrictions, the group restructured its personnel whilst simultaneously strengthening teams in critical areas (cash collection, customer retention). The group also continued its investment in rolling out a new ERP platform.

Since the year end, the group has restarted its acquisition activity and in May 2021, acquired the Print Solutions customer book of Maintel Holdings Plc, extending the group's geographical reach into the North of England and increasing the group's MIF (Machines in Field) and customer base. The group continues to assess suitable acquisition opportunities despite the challenging macro-economic climate.

Review of Business
The main activity of the group is that of the supply and maintenance of multi-functional devices, telephony systems and software thereon.

The results for the year and financial position of the company are shown in these financial statements. Gross profit for the year was £25,166,290 (2020 £31,710,588).

The group's net liabilities for the year was £25,204,250 (2020 £10,626,255) and generated EBITDA before exceptional costs, furlough and loss/profit on disposal of tangible fixed assets of £10,534,989 (2020 £13,937,577).

These numbers clearly reflect a material and adverse impact of Covid-19 but the business is seeing a marked improvement in the current financial year as the economy recovers and customers return to the workplace and resume use of the devices.

James Stephens stepped down as CEO in April 2021 and the group welcomed Andy Moffitt as his successor, having previously served as the group's Chief Operating Officer. Andy brings a wealth of experience in Service Management and is demonstrating this with his strategy on improving customer care, service delivery and broadening the services on offer to customers.

Covid-19 continues to present significant challenges to the group with like for like trading remaining below normal levels; the return has been slower than anticipated from a servicing perspective, although encouragingly equipment sales have remained resilient. However, the group's supply chain has been impacted by the global shortages in microchips and despite strong sales, revenue recognition has been impacted in the second quarter of financial year 2022.

The directors continue to maintain effective and strong relationships with key suppliers whilst internally, continue to place particular focus on cash generation and liquidity enabling measures. The directors are confident that the company has adequate resources to continue operating normally for the foreseeable future and meet all going concern requirements.

Principal Risks and Uncertainties
The principal risks and uncertainties facing the group continue to be posed by Covid-19; these are an unexpected decrease in turnover or continued disruption in the supply chain. The group's board minimises risk through continuous monitoring and maintaining strong relationships with key customers and suppliers.

Development and performance

For comparative purposes, the table below illustrates the performance of Harrow Topco in the year ended 31 March 2021 versus financial year 2020. The fall in EBITDA reflects the 12-month impact of Covid-19.

Whilst the directors review and measure all aspects of the business, including service call response times, MIF per engineer and first-time fix rates, the directors consider EBITDA and EBITDA % of revenue as the key indicator of success of the business.

The board has confidence in the company's ability to identify the right acquisition targets as well as acquire and integrate these effectively.

Key Performance Indicators

	2021	2020	Change
	£'000	£'000	£'000
Turnover	42,749	53,548	(10,799)
Gross Profit	25,166	31,711	(6,544)
Gross Profit Margin	59%	59%	-
EBITDA before exceptional costs	10,535	13,938	(3,403)
EBITDA as a % of turnover	25%	26%	1%

Going concern

Details of matters relevant to the directors' assessment of the application of the going concern basis are given in note 1.3 to the financial statements.

Future Developments

To achieve its strategic goals, the group continues both to assess suitable acquisition opportunities and improve operational efficiencies.

Section 172 statement

Section 172 of the Companies Act 2006 requires the directors of a company to act in a way they consider, in good faith, would be most likely to promote the success of the company and its group for the benefit of its shareholders as a whole and, in doing so, have regard (among other matters) to:

a) the likely consequences of any decisions in the long term;

b) the interests of the group's employees;

c) the need to foster the group's business relationships with suppliers, customers and others;

d) the impact of the group's operations on the community and environment;

e) the desirability of the group maintaining a reputation for high standards of business conduct;

f) the need to act fairly as between shareholders of the company

Further details of how the directors have fulfilled their duties are set out below.

Risk management

The directors have deployed several initiatives across the group to effectively manage risks posed to the business.

A customer care team has been created to focus on maintaining the group's brand with a remit of improving retention and reducing machine and customer attrition. The group has diversified its product offering with a newly created ICT division and Office Supplies platform. The directors have recognised the importance of a localised service offering to their customers; the group will, therefore, aim to retain the majority of the sales teams in acquired businesses.

Business relationships
The group's mission is to add value to businesses through providing innovative products and exceptional levels of service to meet our customers' requirements. The group understands the value of maintaining and developing relationships with its customers and suppliers, as it is these relationships that underpin its current and future growth. Through these actions, the group's relationships go from strength to strength as demonstrated by the group's involvement with the same suppliers and customers for many years.

Community and environment
The group has completed its first ESG impact report and has started its sustainability journey and the directors are excited to see it grow and move forward over the next reporting year and beyond. Environmentally, the group is assessing its practices, supply chain, services, and carbon emissions. The group is partnered with innovative companies who are minimising their impact to the environment whilst also increasing its range of recycled products and recycling across the life cycle of its machines.

The group is committed to moving forward in the ESG space and will continue to push for improvements, having completed our first ESG report now provides targets that we can hold ourselves accountable to.

Employees
The company and its group are committed to being responsible employers and strive to create a working environment where their employees are actively engaged and part of their success. The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees

Shareholders
The company's ultimate shareholder has representation on the board to ensure the company's strategy and objectives are in line with its needs and expectations, and those needs and expectations are regularly communicated to the board.

On behalf of the board

Martn Oxley
....
Martn Oxley

31/3/2022
Date: ....

HARROW TOPCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities
The principal activity of the company is that of an investment holding company. The principal activity of the group is that of the supply and maintenance of multi-functional devices and telephony systems, and software thereon and the wholesale of office equipment.

Results and dividends
The results for the year are set out on page 14.

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

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

K Coveney	(Resigned 1 October 2021)
C Harring	(Resigned 24 July 2020)
J Huttunen	
P Macdonald	(Resigned 20 January 2021)
J Stephens	(Resigned 16 April 2021)
A S Taylor	(Appointed 12 August 2020 and resigned 9 November 2021)
L H L Batchelor	(Appointed 6 May 2021)
M Oxley	(Appointed 9 November 2021)
NW Janks	(Appointed 9 November 2021)
A J Moffitt	(Appointed 22 April 2021)

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 a number of factors, including information provided to them in relation to the group's trading results, its available resources, the ability of the group to continue to operate within its financial covenants and the group's latest forecasts and projections, comprising:

- A base case forecast for the twelve months to 31 March 2023 which has been prepared on a bottom-up basis with realistic assumptions regarding new contract wins, post COVID print volumes and likely margin evolution;

- Sensitised scenarios reflecting reasonably possible variations in performance including:
    - the continuing impact of the COVID-19 pandemic and its potential implications to the broader global economic climate and our ability to win new work and deliver existing contracts and;
    - continued disruption to the global supply chain, including but not limited to, the availability of toner and microchips which will likely cause delays in delivering and completing existing contracts

Although the group's base case forecasts show low cash headroom at certain points in the forecast period, the directors are comfortable the business can manage liquidity to absorb these risks. In addition, there are a number of upside opportunities that have not been factored in, including greater than forecast success in securing new work and improved post Covid trading.

The group's loan agreements are subject to covenant clauses, whereby the group is required to meet certain key financial ratios. Lenders have supported the business by waiving the Leverage Ratio test for successive quarters to September 2021, December 2021 and March 2022. Based on our latest base case forecasts the group will breach the Leverage Ratio test for the remaining test periods through to 31 March 2023 and accordingly the group will need the continued support of our funders and investors. As such, we note our principal investor has granted a conditional letter of support to the company. Positive conversations are underway with our funders and investors, regarding a re-structuring of the debt and related covenant package and Management are confident this will be achieved in the near term. Until such time however, there remains material uncertainty which may cast significant doubt on the group's and the company's ability to continue as a going concern.

The directors have satisfied themselves that the group and company will continue operating, with continued support from funders and investors up to the point that facilities are satisfactorily restructured, and with more certainty about post Covid-19 trading. For these reasons, the group and company continues to adopt the going-concern basis in preparing its financial statements.

Financial instruments

Capital management policies

In managing its capital, the group's primary objective is to maintain a sufficient funding base to enable the group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, through new share issues or debt, the group considers not only its short-term position but also its long-term operational and strategic objectives.

Liquidity risk

Liquidity risk arises from the group management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Refer to Note 1.3 of the financial statements for details of going concern considerations.

The group policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days.

Interest rate risk

The group borrows at variable rates of interest. It is therefore exposed to increases in interest rates. The group reviews market forecasts of future interest rates on a regularly basis and would consider the use of hedging instruments to mitigate such risk where appropriate. No hedging arrangements were in force at the balance sheet date.

Foreign currency risk

The group trades exclusively in the UK and all financing is denominated in sterling. The group therefore is not exposed to currency risk.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or a counter party to a financial instrument fails to meet its contractual obligations. The group is principally exposed to credit risk on cash and cash equivalents with banks and financial institutions, and trade receivables. For banks and financial institutions, only independently rated parties with an acceptable rating are utilised.

Credit risk in connection with trade receivables is managed by the use of credit control procedures, such as the maintenance of a credit control department, use of credit references and stop limits.

Auditor

In accordance with the company's articles, a resolution proposing that Grant Thornton UK LLP be reappointed as auditor of the group will be put at a General Meeting.

Energy and carbon report
Below are the results of the Streamlined Energy and Carbon Reporting (SECR) for the group. Data has been assessed and the results provided by Sustainable Advantage. SECR replaced the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) in April 2019. This new framework aims to simplify carbon and energy reporting requirements while still ensuring that companies have the information required to understand and reduce their emissions and energy costs. The group is concerned about energy consumption and carbon emissions and wishes to utilise the mandatory SECR legislation as a foundation for identifying ways of saving energy and reducing carbon emissions. A base year of 1 April 2020 to 31 March 2021 has been used, which is the same as the current reporting period, as this is the earliest year for which reliable data was recorded and measured. This base year will be used as the benchmark for future emission data and consumption changes. This will allow for comparison and insight into how the group is performing and improving with regards to consumption and emissions.

Scope 1, scope 2, and partial scope 3 emissions have been included within this report. The group owned or leased 4 sites during the reporting period that are included in SECR, where electricity and gas are the primary and only utilities used. The group also owned 72 cars and 2 vans during the reporting period, as well as having staff mileage claims. All activities are based within the UK.

- Scope 1 emissions consists of natural gas usage from buildings, as well as diesel, petrol, and LPG used in company vehicles.
- Scope 2 emissions consists only of electricity usage from buildings.
- Measured scope 3 emissions are from grey fleet mileage.

Below shows the breakdown of consumption and carbon emissions, in kWh and tonnes of carbon dioxide equivalent (tCO2e) respectively, by scope and specific area.

	kWh	tCO2e	tCO2e% of Total
Scope 1			
Natural Gas	187,846	34.40	8%
Diesel	754,305	178.70	41%
petroleum	763,693	175.50	40%
LPG	756	0.20	-
Total scope 1	**1,706,600**	**388.80**	89%
Scope 2			
Electricity	182,131	38.70	9%
Total scope 2	**182,131**	**38.70**	9%
Scope 3			
Grey Fleet Mileage	35,247	8.70	2%
Total scope 3	**35,247**	**8.70**	2%
Gross Total	**1,923,978**	**436.20**	100%
Renewable Electricity	**(138,420)**	**(29.40)**	7%
Net Total	**1,785,558**	**406.80**	93%

HARROW TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Strategic report
The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of disclosure concerning employment etc of disabled persons and engagement with employees, suppliers, customers and others and future developments of the business.

Statement of disclosure to auditor
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Martn Oxley
....
Martn Oxley

31/3/2022
Date: ....

HARROW TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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).

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 company, and of the profit or loss of the company and group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HARROW TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HARROW TOPCO LIMITED

Opinion

We have audited the financial statements of Harrow Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Group profit and loss account, the Group statement of comprehensive income, the Group balance sheet, the Company balance sheet, the Group statement of changes in equity, the Company statement of changes in equity, the Group statement of cash flows and notes to the financial statements, 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 the parent company's affairs as at 31 March 2021 and of the group's loss for the year 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates that the Group and parent company will be in breach of financial covenants throughout the going concern period and as such they are reliant on the continued support of their lenders and investors up to the point that facilities are satisfactorily restructured. As stated in note 1.3, these events or conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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 this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our 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.

Matter on which we are required to report under the Companies Act 2006
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 strategic report or the directors' report.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where 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, 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 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.

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 Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and company and determined the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006, the relevant tax legislation in the jurisdictions in which the Group operates and relevant regulation applicable to the financial conduct authority authorisation status held by certain entities in the Group;
- We understood how the Group and company is complying with those legal and regulatory frameworks by making enquiries of management and those charged with governance, including the Group's financial conduct authority officer. We corroborated our enquiries though our review of board minutes and other relevant correspondence received from legal advisors and regulatory bodies;
- We also enquired of management and those charged with governance concerning the Group and Company's policies and procedures relating to the identification, evaluation, detection and response to the risks of fraud and the establishment of internal controls to mitigate risks related to fraud. We enquired as to whether they had any knowledge of actual, suspected or alleged fraud;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to the estimation and judgemental areas of revenue recognition which we determined to be amounts that were unbilled at the year end, and revenue relating to usage true-up; the valuation of accrued income; the valuation of goodwill and investments in subsidiaries; and through management override of controls;

- Audit procedures performed by the audit team included
  - identifying and assessing the design and implementation of controls management utilises to prevent and detect fraud;
  - challenging key assumptions used and judgements made by management in relation to significant accounting estimates, including through the judgemental areas of revenue recognition which we determined to be amounts that were unbilled at the year end, and revenue relating to usage true-up; the valuation of accrued income and; the valuation of goodwill and investments in subsidiaries;
  - using data interrogation software to identify and test large or unusual journal entries which may carry a higher risk of fraud;
  - assessing the extent of compliance with the relevant laws and regulations as part of our audit procedures on the related financial statement item; and
  - performing audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates;
  - understanding of relevant legal and regulatory frameworks including 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), the Companies Act 2006, and the relevant tax legislation in the jurisdictions in which the Group operates, and the application of the legal and regulatory requirements of these to Harrow Topco Limited.
- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud including through the judgemental areas of revenue recognition which we determined to be amounts that were unbilled at the year end, and revenue relating to usage true-up; the valuation of accrued income; the valuation of goodwill and investments in subsidiaries; and through management override of controls in the preparation of the financial statements.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the rules and interpretative guidance issued by the Financial Conduct Authority
  - the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, internal review procedures over the entity's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

HARROW TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HARROW TOPCO LIMITED

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.

Grant Thornton UK LLP

Marc Summers BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of Grant Thornton UK LLP

31/3/2022
....

Chartered Accountants
Statutory Auditor

30 Finsbury Square
London
EC2A 1AG

HARROW TOPCO LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	42,749,160	53,547,863
Cost of sales		(17,582,870)	(21,837,275)
Gross profit		25,166,290	31,710,588
Distribution costs		(350,306)	(621,989)
Administrative expenses		(26,787,296)	(27,334,336)
Other operating income	3	1,422,558	-
Exceptional items	4	(2,705,293)	(5,986,425)
Operating loss	5	(3,254,047)	(2,232,162)
Interest receivable and similar income	9	-	2,463
Interest payable and similar expenses	10	(11,179,007)	(8,287,612)
Loss before taxation		(14,433,054)	(10,517,311)
Tax on loss	11	364,297	(522,886)
Loss for the financial year	27	(14,068,757)	(11,040,197)
Loss for the financial year is attributable to:			
- Owners of the parent company		(14,225,639)	(13,001,217)
- Non-controlling interests		156,882	1,961,020
		(14,068,757)	(11,040,197)

HARROW TOPCO LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Loss for the year	(14,068,757)	(11,040,197)
Other comprehensive income	-	-
Total comprehensive income for the year	(14,068,757)	(11,040,197)
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(14,225,639)	(13,001,217)
- Non-controlling interests	156,882	1,961,020
	(14,068,757)	(11,040,197)

HARROW TOPCO LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		96,048,569		108,449,386
Other intangible assets	12		479,248		-
Total intangible assets			96,527,817		108,449,386
Tangible assets	13		672,440		1,001,104
			97,200,257		109,450,490
Current assets					
Stocks	16	1,083,141		2,000,013	
Debtors	17	6,081,953		11,814,027	
Cash at bank and in hand		8,760,007		5,557,595	
		15,925,101		19,371,635	
Creditors: amounts falling due within one year	18	(13,986,116)		(16,120,383)	
Net current assets			1,938,985		3,251,252
Total assets less current liabilities			99,139,242		112,701,742
Creditors: amounts falling due after more than one year	19		(124,242,418)		(123,271,455)
Provisions for liabilities					
Deferred tax liability	21	101,074		56,542	
			(101,074)		(56,542)
Net liabilities			(25,204,250)		(10,626,255)
Capital and reserves					
Called up share capital	24		14,500		14,500
Share premium account	25		1,010,500		1,010,500
Profit and loss reserves	27		(36,130,250)		(21,552,255)
Equity attributable to owners of the parent company			(35,105,250)		(20,527,255)
Non-controlling interests			9,901,000		9,901,000
			(25,204,250)		(10,626,255)

HARROW TOPCO LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The financial statements were approved by the board of directors and authorised for issue on 31/3/2022 and are signed on its behalf by:

Martn Oxley

Martn Oxley

Director

HARROW TOPCO LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	14		407,036		759,392
Current assets					
Debtors	17	7,711,641		7,469,947	
Creditors: amounts falling due within one year	18	(915,546)		(1,128,140)	
Net current assets			6,796,095		6,341,807
Total assets less current liabilities			7,203,131		7,101,199
Creditors: amounts falling due after more than one year	19		(8,660,383)		(7,769,191)
Net liabilities			(1,457,252)		(667,992)
Capital and reserves					
Called up share capital	24		14,500		14,500
Share premium account	25		1,010,500		1,010,500
Profit and loss reserves	27		(2,482,252)		(1,692,992)
Total equity			(1,457,252)		(667,992)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £436,904 (2020 - £1,826,474 loss).

The financial statements were approved by the board of directors and authorised for issue on 31/3/2022 and are signed on its behalf by:

Martn Oxley
....
Martn Oxley

Director

Company Registration No. 11362878

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 April 2019		14,500	1,010,500	(7,183,038)	(6,158,038)	18,901,000	12,742,962
Period ended 31 March 2020:							
Loss and total comprehensive income for the period		-	-	(13,001,217)	(13,001,217)	1,961,020	(11,040,197)
Dividends		-	-	-	-	(1,961,020)	(1,961,020)
Credit to equity for equity settled share-based payments	23	-	-	(1,368,000)	(1,368,000)	-	(1,368,000)
Redemption of shares	26	-	-	-	-	(9,000,000)	(9,000,000)
Balance at 31 March 2020		14,500	1,010,500	(21,552,255)	(20,527,255)	9,901,000	(10,626,255)
Period ended 31 March 2021:							
Loss and total comprehensive income for the period		-	-	(14,225,639)	(14,225,639)	156,882	(14,068,757)
Dividends		-	-	-	-	(156,882)	(156,882)
Credit to equity for equity settled share-based payments	23	-	-	(352,356)	(352,356)	-	(352,356)
Balance at 31 March 2021		14,500	1,010,500	(36,130,250)	(35,105,250)	9,901,000	(25,204,250)

HARROW TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2019		14,500	1,010,500	1,501,482	2,526,482
Period ended 31 March 2020:					
Loss and total comprehensive income for the period		-	-	(1,826,474)	(1,826,474)
Credit to equity for equity settled share-based payments	23	-	-	(1,368,000)	(1,368,000)
Balance at 31 March 2020		14,500	1,010,500	(1,692,992)	(667,992)
Period ended 31 March 2021:					
Loss and total comprehensive income for the period		-	-	(436,904)	(436,904)
Credit to equity for equity settled share-based payments	23	-	-	(352,356)	(352,356)
Balance at 31 March 2021		14,500	1,010,500	(2,482,252)	(1,457,252)

HARROW TOPCO LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	33		14,779,355		3,455,637
Interest paid			(10,287,815)		(9,282,432)
Income taxes paid			(533,060)		(313,597)
Net cash inflow/(outflow) from operating activities			3,958,480		(6,140,392)
Investing activities					
Purchase of intangible assets		(157,215)		(11,421,415)	
Purchase of tangible fixed assets		(122,986)		(427,447)	
Proceeds on disposal of tangible fixed assets		24,133		63,638	
Purchase of subsidiaries		-		(18,825,740)	
Interest received		-		2,463	
Dividends received		-		770,071	
Net cash used in investing activities			(256,068)		(29,838,430)
Financing activities					
Redemption of non controlling interest		-		(9,000,000)	
Repayment of borrowings		(500,000)		-	
Receipt of bank loans		-		46,513,146	
Net cash (used in)/generated from financing activities			(500,000)		37,513,146
Net increase in cash and cash equivalents			3,202,412		1,534,324
Cash and cash equivalents at beginning of year			5,557,595		4,023,271
Cash and cash equivalents at end of year			8,760,007		5,557,595

1 Accounting policies

Company information
Harrow Topco Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1-2 Castle Lane, London SW1E 6DR.

The group consists of Harrow Topco Limited and all of its subsidiaries.

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.

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.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48 (b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation
In the parent company financial statements, 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 costs directly attributable to the business combination. 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. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. 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. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

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.

1 Accounting policies **(Continued)**

The consolidated group financial statements consist of the financial statements of the parent company Harrow Topco Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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.

Subsidiary undertakings acquired during the year have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of subsidiary undertakings acquired during the year for the period from their acquisition. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

1.3 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 a number of factors, including information provided to them in relation to the group's trading results, its available resources, the ability of the group to continue to operate within its financial covenants and the group's latest forecasts and projections, comprising:

- A base case forecast for the twelve months to 31 March 2023 which has been prepared on a bottom-up basis with realistic assumptions regarding new contract wins, post COVID print volumes and likely margin evolution;

- Sensitised scenarios reflecting reasonably possible variations in performance including:
  - the continuing impact of the COVID-19 pandemic and its potential implications to the broader global economic climate and our ability to win new work and deliver existing contracts and;
  - continued disruption to the global supply chain, including but not limited to, the availability of toner and microchips which will likely cause delays in delivering and completing existing contracts

Although the group's base case forecasts show low cash headroom at certain points in the forecast period, the directors are comfortable the business can manage liquidity to absorb these risks. In addition, there are a number of upside opportunities that have not been factored in, including greater than forecast success in securing new work and improved post Covid trading.

The group's loan agreements are subject to covenant clauses, whereby the group is required to meet certain key financial ratios. Lenders have supported the business by waiving the Leverage Ratio test for successive quarters to September 2021, December 2021 and March 2022. Based on our latest base case forecasts the group will breach the Leverage Ratio test for the remaining test periods through to 31 March 2023 and accordingly the group will need the continued support of our funders and investors. As such, we note our principal investor has granted a conditional letter of support to the company. Positive conversations are underway with our funders and investors, regarding a re-structuring of the debt and related covenant package and Management are confident this will be achieved in the near term. Until such time however, there remains material uncertainty which may cast significant doubt on the group's and the company's ability to continue as a going concern.

1 Accounting policies **(Continued)**

The directors have satisfied themselves that the group and company will continue operating, with continued support from funders and investors up to the point that facilities are satisfactorily restructured, and with more certainty about post Covid-19 trading. For these reasons, the group and company continues to adopt the going-concern basis in preparing its financial statements.

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.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business 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 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	20% on cost once brought into use

1.7 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.

1 Accounting policies **(Continued)**

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:

Fixtures and fittings	20% on cost
Computers	33% on cost
Motor vehicles	25% on cost

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 recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.9 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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 Accounting policies **(Continued)**

1.10 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 the lower of cost and replacement 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.

1.11 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.

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

1 Accounting policies **(Continued)**

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group 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 group.

1.14 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 if, and only if, there is 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.

1.15 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.

The 2020 analysis of employee costs between wages and salaries and employers national insurance was misstated and consequently has been restated. There is no change to the total wages and salaries cost previously reported.

1.16 Retirement benefits

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

1.17 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using a Monte Carlo model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

1.18 Leases

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 leased asset are consumed.

The charge reported in 2020 omitted vehicle leasing charges and comparatives have consequently been restated.

1 Accounting policies **(Continued)**

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.20 Non-controlling interests

Non-controlling interests in subsidiary undertakings are initially measured at the fair value of equity subscribed or otherwise issued. This value is adjusted to reflect dividends declared by the year end.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Intangible assets at acquisition

In recognising intangible assets, including goodwill, on the acquisition of subsidiary undertakings, the directors have determined that no intangible assets acquired require separate recognition because they are both separable and arise from contractual or legal rights. Therefore any potential intangible assets that would otherwise meet the criteria for recognition under FRS102, but are not both separable and arising from contractual or legal rights, have been subsumed in goodwill.

Application of section 26 of FRS 102-share-based payment

The directors have determined that certain features of equity instruments issued by the company bring those instruments within the scope of the share-based payment provisions of FRS 102, and accordingly a share-based payment charge has been recognised as disclosed in note 23. Judgement is also required in the selection of an appropriate model with which to value the instruments awarded.

Key sources of estimation uncertainty

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

Market rate of interest for vendor loan notes

In estimating the market rate of interest applied to the vendor loan notes the directors have taken into account rates charged by other lenders, the term of the facility and the security provided.

2 Judgements and key sources of estimation uncertainty (Continued)

Useful life of goodwill

In determining the estimated useful life of goodwill the directors have considered the nature of the businesses acquired, the longevity of acquired relationships and the probability of impairment. Current base case forecasts for the year ending 31 March 2023 are lower than forecasts prepared for this period at the reporting date. As such the probability of impairment of goodwill as at the next reporting date is increased.

Recoverability of debtors

In estimating debtors' recoverability the directors have considered the nature of objective evidence concerning loss events for individually significant items. Debtors that are not individually significant are grouped on the basis of similar credit risks.

Revenue recognition

In estimating accrued and deferred income the directors have regard to the nature of the services provided and the terms of agreement with customers.

Estimated term of loans and vesting period of share awards

In estimating the amortised cost of certain loans receivable and payable, an estimate must be made of the timing of cashflows expected to be received and paid. Charges recognised for share-based payment arrangements also depend on estimates made of the vesting period for such arrangements.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Equipment sales	21,428,868	24,501,835
Telephone network sales	655,351	770,943
Maintenance and service	18,823,308	26,286,237
Telephone network service	1,841,633	1,988,848
	42,749,160	53,547,863

	2021	2020
	£	£
Other significant revenue		
Interest income	-	2,463
Grants received	1,422,558	-

	2021	2020
	£	£
Turnover analysed by geographical market		
UK	42,749,160	53,547,863

4 Exceptional items

	2021	2020
	£	£
Mergers and acquisitions	307,465	241,164
Furlough	1,851,841	-
Property-related costs	94,471	320,329
ERP systems	154,558	-
Legal and professional	72,826	666,302
Other	136,284	207,212
Write off of director's loan account	87,848	-
Restructuring costs	-	2,866,445
Refinancing costs	-	1,684,973
	2,705,293	5,986,425

5 Operating loss

	2021	2020
	£	£
		As restated
Operating loss for the period is stated after charging/(crediting):		
Government grants	(1,422,558)	-
Depreciation of owned tangible fixed assets	390,207	262,854
Loss/(profit) on disposal of tangible fixed assets	37,310	(29,341)
Amortisation of intangible assets	12,078,784	9,949,801
Share-based payments	(352,356)	(1,368,000)
Operating lease charges	847,815	897,976

6 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	145,000	145,000
For other services		
Taxation compliance services	63,000	79,729
Other taxation services	14,000	61,309
Services relating to corporate finance transactions	56,000	503,234
	133,000	644,272

7 Employees

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

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
Sales	58	49	-	-
Service	131	144	-	-
Administrative	28	35	-	-
Total	217	228	-	-

Their aggregate remuneration comprised:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
		As restated		
Wages and salaries	7,942,814	8,944,289	-	-
Social security costs	1,121,894	1,292,983	-	-
Pension costs	421,116	224,717	-	-
	9,485,824	10,461,989	-	-

8 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	813,625	655,587
Company pension contributions to defined contribution schemes	45,500	8,784
	859,125	664,371

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	371,670	307,044
Company pension contributions to defined contribution schemes	45,500	548

9 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	-	2,463

10 Interest payable and similar expenses

	2021	2020
	£	£
Other interest on financial liabilities	11,179,007	8,287,612

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	12,621	250,383
Adjustments in respect of prior periods	(104,341)	87,041
Total current tax	(91,720)	337,424
Deferred tax		
Origination and reversal of timing differences	(253,401)	242,202
Adjustment in respect of prior periods	(19,176)	(56,740)
Total deferred tax	(272,577)	185,462
Total tax (credit)/charge	(364,297)	522,886

11 Taxation (Continued)

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Loss before taxation	(14,433,054)	(10,517,311)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(2,742,280)	(1,998,289)
Tax effect of expenses that are not deductible in determining taxable profit	473,013	824,864
Tax effect of income not taxable in determining taxable profit	(219,465)	-
Change in unrecognised deferred tax assets	10,031	69,418
Adjustments in respect of prior years	-	293,581
Effect of change in corporation tax rate	-	(31,506)
Depreciation on assets not qualifying for tax allowances	218,773	233,621
Amortisation on assets not qualifying for tax allowances	2,086,096	1,654,397
Share based payment charge	(66,948)	(259,920)
Under/(over) provided in prior years	(104,341)	(206,540)
Deferred tax adjustments in respect of prior years	(19,176)	(56,740)
Taxation (credit)/charge	(364,297)	522,886

12 Intangible fixed assets

Group	Goodwill	Software	Total
	£	£	£
Cost			
At 1 April 2020	123,258,641	-	123,258,641
Additions - internally developed	-	479,248	479,248
Additions - separately acquired	249,200	-	249,200
Elimination of fully amortised goodwill	(1,370,806)	-	(1,370,806)
Adjustment to previously recognised goodwill	(571,233)	-	(571,233)
At 31 March 2021	121,565,802	479,248	122,045,050
Amortisation and impairment			
At 1 April 2020	14,809,255	-	14,809,255
Amortisation charged for the year	12,078,784	-	12,078,784
Elimination of fully amortised goodwill	(1,370,806)	-	(1,370,806)
At 31 March 2021	25,517,233	-	25,517,233

12 Intangible fixed assets (Continued)

Carrying amount			
At 31 March 2021	96,048,569	479,248	96,527,817
At 31 March 2020	108,449,386	-	108,449,386

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

13 Tangible fixed assets

Group	**Total**
	£
Cost	
At 1 April 2020	2,258,126
Additions	122,986
Disposals	(966,788)
At 31 March 2021	1,414,324
Depreciation and impairment	
At 1 April 2020	1,257,022
Depreciation charged in the year	390,207
Eliminated in respect of disposals	(905,345)
At 31 March 2021	741,884
Carrying amount	
At 31 March 2021	672,440
At 31 March 2020	1,001,104

The company had no tangible fixed assets at 31 March 2021 or 31 March 2020.

14 Fixed asset investments

		Group		**Company**	
		2021	**2020**	**2021**	**2020**
	Notes	**£**	**£**	**£**	**£**
Investments in subsidiaries	15	-	-	407,036	759,392

14 Fixed asset investments (Continued)

Movements in fixed asset investments
Company

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2020	759,392
Share-based payment credits	(352,356)
At 31 March 2021	407,036
Carrying amount	
At 31 March 2021	407,036
At 31 March 2020	759,392

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct	% Held Indirect
Harrow Midco Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	100.00	-
Harrow Debtco Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Harrow Bidco Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Corona Corporate Group Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Corona Corporate Solutions Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Corporate Information & Communication Technology Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Managed Print Services London Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Falcon Document Solutions Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Copylogic Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
J T Property Holdings Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Classic Business Equipment Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
The London Photocopying Company Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Digital Copier Systems Eastern Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Regent Document Solutions Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Business By Technology Group Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Business By Technology (Holdings) Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Eastern Business Systems Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Technocopy Solutions Holdings Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00
Technocopy Solutions Limited	1-2 Castle Lane, London SW1E 6DR	Ordinary	-	100.00

15 Subsidiaries **(Continued)**

The following subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Act:

Name	Registered number
Classic Business Equipment Limited	3580061
Digital Copier Systems Eastern Limited	4160580
J T Property Holdings Limited	10967614
Regent Document Solutions Limited	2052396
The London Photocopying Company Limited	2606913
Business By Technology Group Limited	3030275
Business By Technology (Holdings) Limited	8985669
Eastern Business Systems Limited	2912024
Technocopy Solutions Holdings Limited	2777518
Technocopy Solutions Limited	6768232

16 Stocks

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Finished goods and goods for resale	1,083,141	2,000,013	-	-

17 Debtors

	Group		Company	
	2021	**2020**	**2021**	**2020**
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	3,484,124	7,864,865	-	-
Corporation tax recoverable	242,100	333,661	-	-
Amounts owed by group undertakings	-	-	5,043,115	4,529,849
Other debtors	194,455	535,650	2,440,714	2,669,019
Prepayments and accrued income	1,764,529	3,000,215	-	212,594
	5,685,208	11,734,391	7,483,829	7,411,462
Deferred tax asset (note 21)	396,745	79,636	227,812	58,485
	6,081,953	11,814,027	7,711,641	7,469,947

18 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Trade creditors		3,794,231	4,472,843	-	-
Amounts owed to group undertakings		-	-	915,546	915,546
Corporation tax payable		112,130	828,471	-	-
Other taxation and social security		2,951,313	2,842,891	-	-
Deferred income		1,792,029	2,065,034	-	-
Other creditors		2,479,085	2,180,040	-	-
Accruals		2,857,328	3,731,104	-	212,594
		13,986,116	16,120,383	915,546	1,128,140

19 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Deferred consideration	**20**	*8,660,383*	*7,769,191*	*8,660,383*	*7,769,191*
Bank loans and overdrafts	**20**	115,582,035	115,502,264	-	-
		124,242,418	123,271,455	8,660,383	7,769,191

20 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Deferred consideration	8,660,383	7,769,191	8,660,383	7,769,191
Bank loans	115,582,035	115,502,264	-	-
	124,242,418	123,271,455	8,660,383	7,769,191
Payable after one year	124,242,418	123,271,455	8,660,383	7,769,191

Bank loans are secured by charges over the group's assets.

Bank loans carry interest rates of 3.25% and 7.25% over LIBOR dependent upon the facility. Loans of £5 million are repayable by bullet repayment by August 2024. Loans totalling £112 million are repayable by bullet repayment by October 2026.

Deferred consideration is payable by 2029. Interest is accrued on the loans at a rate of 13.8% per annum.

There are further committed but undrawn facilities of £10million.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Fixed asset timing differences	112,918	61,205	16,278	20,673
Tax losses	-	-	152,655	291
Short term timing differences	(11,844)	(4,663)	227,812	58,672
	101,074	56,542	396,745	79,636

Company	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Short term timing differences	-	-	227,812	58,485

Movements in the year:	Group 2021 £	Company 2021 £
Asset at 1 April 2020	(23,094)	(58,485)
Credit to profit or loss	(272,577)	(169,327)
Asset at 31 March 2021	(295,671)	(227,812)

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

22 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	421,116	67,572

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share-based payment transactions

Equity instruments other than share options

In 2019, the company issued 3,637 A ordinary shares,195,015 B ordinary shares, 50,000 C ordinary shares and 1 D ordinary share to employees. The terms of issue of these shares brings them within the scope of section 26 of FRS102. The weighted average fair value of those instruments at the measurement date, being the date of issue, was as follows:

A and B shares	£12.60
C Shares	£12.54
D Shares	£639,689

Fair value was estimated using a Monte Carlo simulation model. This model was deemed appropriate due to the manner in which shareholders' respective entitlement to rights are determined by its articles of association.

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Expenses recognised in the year				
Arising from equity settled share based payment transactions	(352,356)	(1,368,000)	-	-

An equivalent credit is recognised in reserves.

The credit to profit and loss recognised in the year ended 31 March 2020 arose from a change to the group's strategic plan and hence a revision in estimate of the vesting period over which the share-based payment charge is recognised. The credit in 2021 arose from a change in estimate of the benefits that would eventually vest.

24 Share capital

	Group and company	
	2021	2020
Ordinary share capital	£	£
Issued and fully paid		
754,985 A Ordinary of 1p each	7,550	7,550
195,015 B Ordinary of 1p each	1,950	1,950
50,000 C Ordinary of 10p each	5,000	5,000
1 D Ordinary of 1p each	0.01	0.01
	14,500	14,500

The A Ordinary and C Ordinary shares carry the right to attend and vote at general meetings. A ordinary shares carry 80% of the total voting rights of the Company. B and D Ordinary shares carry no rights to attend or vote at general meetings. Distributions, when declared, are shared between the various classes of share according to formulae set out in the Company's articles of association.

25 Share premium account

	Group 2021 £	2020 £	Company 2021 £	2020 £
At the beginning and end of the year	1,010,500	1,010,500	1,010,500	1,010,500

26 Non-controlling interests

Group	£
At the beginning of the prior year	18,901,000
Share of profit	1,961,020
Dividends declared	(1,961,020)
Redemption of shares	(9,000,000)
At the end of the prior year	9,901,000
Share of profit	156,882
Dividends declared	(156,882)
At the end of the current year	9,901,000

In 2020 a redemption of 9 million preference shares held in Harrow Midco Limited by non-controlling interests was made at £1 per share out of capital.

27 Profit and loss reserves

	Group 2021 £	2020 £	Company 2021 £	2020 £
At the beginning of the year	(21,552,255)	(7,183,038)	(1,692,992)	1,501,482
Loss for the year	(14,225,639)	(13,001,217)	(436,904)	(1,826,474)
Share based payment transactions	(352,356)	(1,368,000)	(352,356)	(1,368,000)
At the end of the year	(36,130,250)	(21,552,255)	(2,482,252)	(1,692,992)

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Within one year	427,605	460,326	-	-
Between two and five years	597,339	1,030,607	-	-
	1,024,944	1,490,933	-	-

29 Events after the reporting date

After the balance sheet date the group has purchased certain customer relationship assets for a total of £4.5 million.

Also after the balance sheet date agreement was reached regarding the cessation of employment of a member of key management personnel. As part of the settlement arrangements, members of the HIG Capital Group agreed to purchase equity and non-controlling interests in the group held by the member of key management personnel, together with loans made by him to the group, for a total of £6.7 million. The company has funded £3.7 million of this purchase price by making a loan of £3.7 million to members of the HIG Capital Group.

30 Related party transactions

Transactions with related parties

Deferred consideration as shown below is due to a member of key management personnel on the purchase of Corona Corporate Group Limited in 2019. Interest is payable on the deferred consideration at 8% of its face value.

In the year ended 31 March 2020, a redemption of preference shares out of capital took place in Harrow Midco Limited, a subsidiary undertaking. Members of key management personnel received £1.89 million from that redemption. In the year ended 31 March 2021 there was no such redemption.

In the year ended 31 March 2020, dividends on preference shares were also declared to members of key management personnel of approximately £410,000 including accrued interest. Those amounts remained outstanding at 31 March 2021. Further interest of approximately £33,000 was accrued on these dividends in the year ended 31 March 2021.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021	2020
	£	£
Group		
Key management personnel	9,103,253	8,179,241

30 Related party transactions **(Continued)**

Company		
Entities over which the company has control, joint control or significant influence	915,546	915,546
Key management personnel	8,660,383	7,769,191

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	**2021 Balance £**	**2020 Balance £**
Company		
Entities over which the company has control, joint control or significant influence	7,371,237	7,046,277

Loans made to subsidiary entities are interest-free. £8,720,015 is repayable by subsidiaries by 2028. Included in amounts due from entities over which the company has control, joint control or significant influence is £4,238,130 which represents the discounted value of that sum at market rates of interest (2020-£3,724,865). Other amounts due from entities over which the company has control, joint control or significant influence are repayable on demand.

31 Directors' transactions

A loan of £87,848 to Mr J Stephens (a former director of the company) existed at 1 April 2020. £87,848 was repaid during the year. The balance outstanding at 31 March 2021 was £nil. No interest was charged on the loan.

32 Controlling party

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

33 Cash generated from group operations

	2021	2020
	£	£
Loss for the year after tax	(14,068,757)	(11,040,197)
Adjustments for:		
Taxation (credited)/charged	(364,297)	522,886
Finance costs	11,179,007	8,287,612
Investment income	-	(2,463)
Loss/(gain) on disposal of tangible fixed assets	37,310	(29,341)
Amortisation and impairment of intangible assets	12,078,784	9,949,801
Depreciation and impairment of tangible fixed assets	390,207	262,854
Amounts written off investments	-	16,000
Equity settled share based payment (credit)/expense	(352,356)	(1,368,000)
Movements in working capital:		
Decrease/(increase) in stocks	916,872	(60,919)
Decrease/(increase) in debtors	6,537,393	(4,625,765)
(Decrease)/increase in creditors	(1,574,808)	1,543,169
Cash generated from operations	14,779,355	3,455,637

34 Analysis of changes in net debt - group

	1 April 2020	Cash flows	Other non-cash changes	Market value movements	31 March 2021
	£	£	£	£	£
Cash at bank and in hand	5,557,595	3,202,412	-	-	8,760,007
Borrowings excluding overdrafts	(123,271,455)	500,000	(891,192)	(579,771)	(124,242,418)
	(117,713,860)	3,702,412	(891,192)	(579,771)	(115,482,411)