Registered number: 07753328

# TECHNOLOGY SOLUTIONS GROUP LIMITED

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 OCTOBER 2022



Bishop Fleming

**TECHNOLOGY SOLUTIONS GROUP LIMITED**
**REGISTERED NUMBER:07753328**

## STATEMENT OF FINANCIAL POSITION
## AS AT 31 OCTOBER 2022

| | Note | | 2022 £ | | 2021 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 4 | | **532,696** | | 907,685 |
| Tangible assets | 5 | | **42,014** | | 48,691 |
| | | | **574,710** | | 956,376 |
| **Current assets** | | | | | |
| Stocks | 6 | **5,996** | | 14,447 | |
| Debtors: amounts falling due within one year | 7 | **1,752,007** | | 853,270 | |
| Cash at bank and in hand | 8 | **374,739** | | 263,513 | |
| | | **2,132,742** | | 1,131,230 | |
| Creditors: amounts falling due within one year | 9 | **(1,775,891)** | | (1,982,271) | |
| **Net current assets/(liabilities)** | | | **356,851** | | (851,041) |
| **Total assets less current liabilities** | | | **931,561** | | 105,335 |
| **Provisions for liabilities** | | | | | |
| Deferred tax | 10 | **(24,509)** | | (214,000) | |
| | | | **(24,509)** | | (214,000) |
| **Net assets/(liabilities)** | | | **907,052** | | (108,665) |
| **Capital and reserves** | | | | | |
| Called up share capital | | | **3,000** | | 3,000 |
| Share premium account | | | **17,632** | | 17,632 |
| Profit and loss account | | | **886,420** | | (129,297) |
| | | | **907,052** | | (108,665) |

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

**M P Mahoney**
Director

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2022**

Date: 28 February 2023

The notes on pages 4 to 13 form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 OCTOBER 2022

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **At 01 September 2020** | 3,093 | 17,632 | (766,248) | (745,523) |
| **Comprehensive income for the period** | | | | |
| Profit for the period | - | - | 710,876 | 710,876 |
| Dividends: Equity capital | - | - | (56,200) | (56,200) |
| Shares cancelled during the period | (93) | - | - | (93) |
| Transfer to/from profit and loss account | - | - | (17,725) | (17,725) |
| **At 1 November 2021** | 3,000 | 17,632 | (129,297) | (108,665) |
| **Comprehensive income for the year** | | | | |
| Profit for the year | - | - | 1,015,717 | 1,015,717 |
| **At 31 October 2022** | 3,000 | 17,632 | 886,420 | 907,052 |

The notes on pages 4 to 13 form part of these financial statements.

## 1. General information

Technology Solutions Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor Westpoint, James Street West, Bath, Somerset, England, BA1 2DA.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Oval Holdco Ltd as at 31 October 2022 and these financial statements may be obtained from the registered office.

### 2.3 Going concern

The financial statements are prepared on a going concern basis. The operating cashflow less capital expenditure of the combined group businesses generated £0.9m of cash in the 12 months to October 2022, which provided adequate headroom to service the Group's debt obligations. In the post year end period the Group continues to trade profitably with good operating cash conversion.

The group's net liabilities position of £9.4m is principally driven by debt in the form of investor loan notes of £7.4m, inclusive of accrued interest, and bank debt of £9.1m, inclusive of accrued interest and prepaid transaction costs. Both these tranches of debt are redeemable in March 2026 and no event of default before this date would make any of the debt repayable on demand. Both Oval Holdco's owners and lenders remain supportive backers of the group.

The group prepares detailed short-term and long-term cash flow forecasts and the directors have considered these and also the ability of the group to continue as a going concern in light of these forecasts. Accordingly, and after making appropriate enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of approval of these financial statements.

## 2. Accounting policies (continued)

### 2.4 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

### 2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

### 2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

## 2. Accounting policies (continued)

### 2.7 Interest income

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

### 2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.9 Pensions

**DEFINED CONTRIBUTION PENSION PLAN**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## 2. Accounting policies (continued)

### 2.11 Intangible assets

**GOODWILL**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of comprehensive income over its useful economic life.

**OTHER INTANGIBLE ASSETS**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

| | | |
|---|---|---|
| Licences | - | 2 years straight line |
| Customer contracts | - | 7 to 10 years straight line |

### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

| | | |
|---|---|---|
| Fixtures and fittings | - | 15% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## 2. Accounting policies (continued)

### 2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

### 2.14 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 cosls 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.

### 2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## 2. Accounting policies (continued)

### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

### 2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

### 2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

## 3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

| | 2022 No. | 2021 No. |
|---|---|---|
| Total number of employee's (including Directors) | **26** | 31 |

## 4. Intangible assets

| | Customer Contracts £ | Licences £ | Goodwill £ | Total £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 November 2021 | **1,629,613** | **489,068** | **143,064** | **2,261,745** |
| Additions - internal | **-** | **1,612** | **-** | **1,612** |
| At 31 October 2022 | **1,629,613** | **490,680** | **143,064** | **2,263,357** |
| **AMORTISATION** | | | | |
| At 1 November 2021 | **898,534** | **360,507** | **95,019** | **1,354,060** |
| Charge for the year on owned assets | **198,383** | **130,173** | **48,045** | **376,601** |
| At 31 October 2022 | **1,096,917** | **490,680** | **143,064** | **1,730,661** |
| **NET BOOK VALUE** | | | | |
| At 31 October 2022 | **532,696** | **-** | **-** | **532,696** |
| At 31 October 2021 | 731,079 | 128,561 | 48,045 | 907,685 |

## 5. Tangible fixed assets

| | Fixtures and fittings £ |
|---|---|
| **COST OR VALUATION** | |
| At 1 November 2021 | **79,500** |
| Additions | **630** |
| At 31 October 2022 | **80,130** |
| **DEPRECIATION** | |
| At 1 November 2021 | **30,809** |
| Charge for the year on owned assets | **7,307** |
| At 31 October 2022 | **38,116** |
| **NET BOOK VALUE** | |
| At 31 October 2022 | **42,014** |
| At 31 October 2021 | 48,691 |

## 6. Stocks

| | 2022 £ | 2021 £ |
|---|---|---|
| Stock | **5,996** | 14,447 |
| | **5,996** | 14,447 |

## 7. Debtors

| | 2022 £ | 2021 £ |
|---|---|---|
| Trade debtors | **169,299** | 100,685 |
| Amounts owed by group undertakings | **1,069,524** | 230,000 |
| Other debtors | **367,709** | 319,137 |
| Prepayments and accrued income | **218,805** | 203,448 |
| Tax recoverable | **(73,330)** | - |
| | **1,752,007** | 853,270 |

## 8. Cash and cash equivalents

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Cash at bank and in hand | **374,739** | 263,513 |
| | **374,739** | 263,513 |

## 9. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Trade creditors | **281,498** | 273,121 |
| Other taxation and social security | **183,271** | 139,517 |
| Other creditors | **13,797** | 67,905 |
| Accruals and deferred income | **1,297,325** | 1,501,728 |
| | **1,775,891** | 1,982,271 |

## 10. Deferred taxation

| | 2022<br>£ |
|---|---|
| At beginning of year | **(214,000)** |
| Charged to profit or loss | **189,491** |
| **AT END OF YEAR** | **(24,509)** |

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Accelerated capital allowances | **(33,430)** | (214,000) |
| Timing differences | **8,921** | - |
| | **(24,509)** | (214,000) |

## 11. Related party transactions

The company has taken the exemption allowed under section 33.1A of FRS 102 not to disclose transactions with other group companies, due to being 100% owned. There are no other related party transactions requiring disclosure.

## 12. Controlling party

The ultimate parent company of the smallest group preparing consolidated financial statements is Oval Holdco Ltd, a company incorporated in the UK. The registered office is Westpoint, James Street West, Bath, Avon, BA1 2DA.

Consolidated financial statements can be obtained from the registered office.

## 13. Auditors' information

The auditors' report on the financial statements for the year ended 31 October 2022 was unqualified.

The audit report was signed on 1|3|2023 by Simon Morrison FCA (Senior statutory auditor) on behalf of Bishop Fleming Bath Limited.