

FluidOne Topco Limited

Report and Financial Statements

Year Ended

31 March 2022

Company Number 11825732

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FluidOne Topco Limited

Report and financial statements
for the year ended 31 March 2022

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Directors

J Hawkins
R Horton
C Rogers
R Hastings
S Hollingsworth
T Reece
P Lynch

Registered office

5 Hatfields, London, SE1 9PG

Company number

11825732

Independent Auditors

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, One Chamberlain Square, Birmingham, B3 3AX

FluidOne Topco Limited

Group strategic report for the year ended 31 March 2022

The directors present the Group Strategic Report of FluidOne Topco Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 March 2022.

Business review

The Group was formed on 13 February 2019 as part of an investment by LivingBridge 6 LP ("LB") with the purpose of driving the next stage of growth for FluidOne by way of both organic growth and acquisitions in line with our strategy.

In December 2021 the Group acquired The SAS Group of Companies Limited and its subsidiary undertakings (together "SAS"). SAS is a high-quality provider of SD-WAN enabled global hybrid networks and further enhanced the group's communications offering for mid-market and enterprise customers as well as adding a high quality, enterprise-focussed customer base. This acquisition built further on the capabilities brought into the group in late 2020 via the acquisition of PSU ICT Limited ("PSU") and the taking of a controlling shareholding in Cyber Security Associates Limited ("CSA"). The combination of FluidOne's communications heritage and the cyber and managed IT services skills added in 2020 delivered on the group's ambition to offer a complete range of Connected Cloud Solutions to the market.

SAS has performed in line with the acquisition business case to date and is expected to drive further organic growth as the group cross-sells its services between the acquired customer bases. SAS has been fully integrated into the activities of group and now trades as part of FluidOne, with SAS branding having been retired. A restructuring of the group was undertaken in Q1 FY2023 which resulted in a new organisation structure for the group combining the FluidOne and SAS teams. The rationalisation resulting is expected to contribute to an increase in EBITDA margins in FY2023.

In addition, the group acquired Marathon Information Technology Services Limited ("Marathon") in May 2022 (post year-end), adding further capability around cloud transformation, modern workplace and contact centre to the portfolio of services. Marathon delivers IT managed services primarily to enterprise customers with up to 17,000 employees, including internationally.

The Directors believe that the Group has continued to perform well with businesses acquired in 2020 and 2021 driving growth and the continued strength of the Group's customer relationships, underpinned by the high levels of recurring income in its contract base. Turnover grew by 24% from £33.6m in 2021 to £41.7m in 2022, with gross profit growing 30% from £13.8m in 2021 to £17.6m in 2022. Gross margin also improved from 41% to 43% due to the growth in IT and cyber services as a proportion of total activity.

In Q1 of 2022, the directors approved investment being made in the Group's cost base in anticipation of a post-pandemic recovery in the market and to further build out the platform for acquisitions. This investment, coupled with reductions in costs in 2021 during the pandemic (redundancies and associated reduction in staff-related costs during lockdown such as travel in 2021) resulted in an increase in administration costs relative to underlying EBITDA in 2022. As a result, underlying EBITDA in 2022 was £0.8m (17%) lower than in 2021. These investments support the Group continuing to grow in line with the Directors' long term plan, with the exit run rate at March 2022 (March results annualised) being £57m revenue and £7m underlying EBITDA. This run rate is before the benefit of planned synergies from integrating SAS into FluidOne and before the acquisition of Marathon in May 2022, giving what the directors believe is a strong outlook for FY2023.

FluidOne Topco Limited

Group strategic report for the year ended 31 March 2022 (continued)

Business review (continued)

	2022 £'000s	2021 £'000s	Variance £'000s	Variance %
Operating loss	(3,679)	(955)	(2,724)	285.2%
Amortisation	6,408	4,920	1,488	30.2%
EBITA	2,729	3,965	(1,236)	(31.2)%
Depreciation	422	285	137	48.1%
EBITDA	3,151	4,250	(1,099)	(25.9)%
Group costs *	345	246	99	40.2%
Exceptional items	680	506	174	34.4%
Underlying EBITDA	4,176	5,002	(826)	(16.5)%

* Group costs were management fees and other charges from investors and non-executive directors together with specific consultancy fees. Exceptional costs related to transactional costs in relation to acquisitions and non-recurring restructuring costs in relation to acquisition integrations

We continued to innovate and invest in our customer proposition during the year with further development of our proprietary customer portal, DASH, as well as expanding our range of cyber security solutions within CSA including developing integration with Microsoft's Sentinel cloud-native security information and event manager (SIEM) software.

A subsidiary within the Group holds certain loan note instruments that are listed on the Channel Islands Securities Exchanges (CIESA). The notes are repayable in full in the event of a sale and are currently held by the Company's ultimate controlling party LivingBridge 6 LP.

Who we are

FluidOne combines its award-winning connectivity with services covering Cyber Security, IT and Cloud Managed Services, Mobile and IoT, UCaaS and CCaaS, to deliver a fully integrated Connected Cloud service. FluidOne's purpose is to empower our customers' people, by supporting their IT teams to deliver a great end user experience making their staff more productive and engaged. To deliver this our vision, launched in 2020, is to be the best quality Connected Cloud Solutions Provider to business, consulting to help customers and partners digitally transform their IT and communications, connecting end users to their business-critical applications, wherever they are, securely and simply.

This builds upon our strategy from 2018 which was to become the best quality data connectivity provider to UK businesses. The directors believe we achieved this in 2020 with our award-winning Platform One software defined network being the most connected in the UK with over 30 suppliers and services integrated as well as achieving market leading customer satisfaction as measured by our Net Promoter Score (NPS) of 90 in March 2022 (the most recent NPS in August 2022 was 85). We benefit from multiple routes to market and our customer base includes direct, channel and strategic partners. FluidOne delivers services via direct and channel to thousands of end customer businesses ranging from FTSE100 to SME with specialisms in several vertical markets.

The addition of SAS during the financial year further strengthened our Connected Cloud offering. SAS added extensive experience in SD-WAN hybrid networks, over 150 customers (including blue chip enterprise clients with offices in 65 countries) and a skilled team with specialisms across LAN, Wi-Fi, WAN and SASE. The acquisition also offers the opportunity for SAS customers to engage with the broader FluidOne Connected Cloud offering, providing an opportunity to create a pipeline of cross-selling opportunities to further improve EBITDA margin. Our plan includes further strategic acquisitions which achieve the goals of strengthening our offering and services to customers, provide opportunity of cross selling complimentary services and increasing shareholder value. This is demonstrated with our acquisition of Marathon in May 2022 (post year-end) which will bring additional scale and further cross selling opportunities as well as enhancing our Connected Cloud capabilities in the IT space.

FluidOne Topco Limited

Group strategic report for the year ended 31 March 2022 (*continued*)

Who we are (*continued*)

We have a market leading staff culture and strong company values that underpin the quality of the delivery of our service and the long-term relationships we build with customers, partners and suppliers. We believe our team has some of the best skills and Connected Cloud domain knowledge in the market. The Group (including Marathon) has over 300 UK based staff working across five locations, and we ranked in the top 50 best technology companies to work for in the UK with an "outstanding" accreditation from the prestigious Sunday Times best companies to work for awards

Principal risks and uncertainties

War in Ukraine

The business operates in a range of sectors. Whilst the core business is largely unaffected by the economic impact of the war in Ukraine, sectors in which our customers operate are more exposed to potential risks as a result of associated supply chain issues and rising prices.

Whilst remote the business diligently reviews customer credit worthiness prior to engaging and has a robust credit control process in place.

COVID-19

Despite the removal of restrictions enforced during the pandemic the longer-term economic impact of COVID-19 remains a risk. Despite this, our core business is providing annuity services under contractual relationships that largely mitigate the attrition risk posed by COVID-19.

The business continues to see minimal impact on the underlying trade and cash flow generation from COVID-19 but continues to monitor the risk closely.

Brexit

The business is primarily focused on the UK, and it therefore is exposed to the inherent risks and uncertainties of the wider UK economy, particularly in relation to Brexit.

Market

The business operates in a sector where a handful of larger networks, which are also competitors, predominate. Although the business differentiates itself through its technical expertise, product quality and service levels, there is a risk that significant price reductions by the networks would lead to margin erosion in the business. This risk is reducing as our acquisitions change the business mix towards IT managed services and cyber security services in addition to connectivity

Financial key performance indicators

The directors consider the most relevant key performance indicators to be the gross profit margin and the growth in revenue achieved by the group.

- Revenue for the year ended 31 March 2022 was £41.7m (2021 - £33.6m)
- Gross profit margin for the year ended 31 March 2022 was 42.1% (2021 - 41.1%)
- Underlying EBITDA for the year ended 31 March 2022 £4.2m, 11.2% (2021 - £5.0m, 14.9%)

Financial risk management

The Company's operations expose it to a variety of financial risks including the effects of changes in credit risk, liquidity risk and interest rate risk. The Company has in place a risk management program that seeks to limit the adverse effects of the financial performance of the Company by monitoring levels of debt finance and the related finance costs. The Company does not use derivative financial instruments to manage interest rate costs, and as such, no hedge accounting is applied. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

FluidOne Topco Limited

Group strategic report for the year ended 31 March 2022 (continued)

Financial risk management (continued)

Credit risk

The Company's credit risk is primarily attributable to its trade debtors. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is reassessed annually by the board. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

The Company maintains cash balances to ensure it has sufficient funds available for operations and planned expenses.

Price risk

The Company is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services purchased in the UK. The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

COVID-19

As the UK has removed all restrictions in relation to the pandemic the business has moved back to business as usual. Despite this, the board remain vigilant to the latent impact that could occur to the business as a result of the reduction in consumer activity in certain sectors in the last two years adversely impacting customers. The Company continues to monitor the impact of the pandemic on other stakeholder groups (such as employees) to safeguard the business.

Forward looking

We will continue to execute our connected cloud strategy during FY2023 and beyond. Our focus will be providing the highest quality services (measured by net promoter score) and growing organically through cross-selling within our existing customer base and winning new customers through a market offering that we believe provides significant value to our customers, including supporting them on their digital transformation journeys. We will continue to seek strategic acquisitions that the directors believe will support in making us the highest quality connected cloud solutions provider in the UK. Key focus areas in this regard are Cloud Consulting, IT Managed Services and Cyber Security.

We will also continue to develop the business organically, bringing more services to Platform One, including expanding our range in Unified Communication, SD-Wan and mobile connectivity. We will seek to be recognised for innovation and to ensure that we focus on the technologies and products that provide the best experience for our customers and the highest growth.

The directors believe that the business has performed well through the COVID pandemic and this has demonstrated the strength of its recurring revenue model and its customer relationships. While we continue to monitor the ongoing impact of pandemic we believe that the business is now able to focus again on a longer-term planning horizon. We believe that the evolving changes in ways of working of our customers' employees, including increased hybrid working and more flexibility to employ home-based staff, makes our connected cloud proposition ever more relevant to our customers and partners. We are expecting to see a positive impact on our organic growth in the coming years.

Section 172 Statement

Engaging with stakeholders

Delivery of the FluidOne Connected Cloud strategy is dependent on the support of all our stakeholders. Building long term relationships with our stakeholders which share our values is central to the execution of this strategy.

A variety of mechanisms are in place to collect feedback from key stakeholders. The business seeks to regularly review key performance metrics. The Senior Management Team and the Board make decisions and construct policies based on feedback. The Directors believe that this rigorous process ensures consideration for all Stakeholders is regularly taken into account to shape the future of the business.

Details of the businesses key stakeholders and how we engage with them are set out below:

FluidOne Topco Limited

Group strategic report for the year ended 31 March 2022

Section 172 Statement (continued)

Shareholders

Our shareholders comprise members of our ultimate parent entity, Livingbridge 6 LP, together with key management personnel. There are formal board meetings, supported by robust financial results, which are held monthly either in person at the 5 Hatfields office or online. There is an open dialogue between parties and therefore informal meetings held periodically, together with the board meetings, provide feedback in relation to the ongoing performance of the business.

Customers

The business' success is a product of our customers success and as such the values of the business are underpinned by how we engage with our customers. The business seeks to always put the customer FIRST, ensuring that the business is:

- **Fun** a fun company to work for and with
- **Innovative** innovation is at the heart of what we do
- **Reliable** rely on us to deliver every time
- **Service** service first, delivering a great customer experience
- **Teamwork** with customers, partners and our people

The business sources regular feedback from customers via our NPS scoring. The business has a world class NPS score which is reviewed monthly and was 90 in March 2022 (the most recent NPS in August is 85). This metric, together with other KPIs for customer success (churn, response times, outage times & instances amongst others) are appraised, investigated with actions taken and reported to the business on a monthly basis.

Suppliers

Suppliers are crucial to the business' ability to meet the growing needs of our customer base. The variety and expertise of our supplier base is central to the ability of the business to offer our services (including the award-winning Platform One network) to our customers. Strong relationships with long term partnerships are the foundation of how the business works with suppliers, ensuring, amongst other outcomes, that:

- Fair margins and rates are agreed between both parties which are mutually beneficial;
- Fair credit terms are agreed; and
- SLAs are maintained

Any issues arising with suppliers are escalated, if necessary, to the Senior Management Team for resolution. Regular feedback sessions, both formal and informal are held to ensure relationships are maintained.

Colleagues

The team at FluidOne reflect the FIRST values outlined above. The business benefits from a diverse, motivated group of bright colleagues which comprise the team. The business takes great care in recruitment to ensure that individuals suit the culture, pace and vision of the business ahead of being offered a role. The team are central to the business and are hugely important to its success.

The business currently holds a two-star (Outstanding) rating with Best Companies, an award which is achieved through the results of a survey formally conducted on an anonymous basis by Best Companies with our team. The business also conducts a similar survey midway through the year to gather feedback on ways it can improve employee engagement and outcomes.

A wide range of benefits are also provided to our staff, together with monthly recognition awards to enable colleagues to highlight those who have excelled in demonstrating the FIRST values.

Investors

Our investors are either shareholders or providers of debt financing to the Group. Delivering for our investors ensures that the business continues to be successful for the long term and is able to meet the aims and expectations set out by those stakeholders. Regular reviews are conducted with our investors to ensure that the business is performing in line with expectations. These reviews include presentation of regular reporting to enable further insight into the performance and position of the business.

FluidOne Topco Limited

Directors' report for the year ended 31 March 2022

Post balance sheet events

FluidOne Limited, a subsidiary of the group, acquired the entire share capital of UK-based Marathon Managed Services Holdings Group Limited, a group comprising Marathon Information Technology Services Limited and William Jarrod Partnership Limited on 12 May 2022 for total initial consideration of £15m with a further consideration being contingent based on performance targets over a period of 24 months. The business conducted a refinancing at the time of the acquisition which provided sufficient capital for the acquisition. The chosen facility was with the existing provider, HSBC. The refinancing comprises a loan of £52.5m, a Committed Acquisition Facility of £15m and a Super Senior RCF of £2m. The facility has been made available for 4.5 years with 4 years available on the Super Senior RCF. The businesses will be reported within our IT services, delivering first class managed IT services to their customers.

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


R Hastings
Director

Date: 31 October 2022

FluidOne Topco Limited

Directors' report for the year ended 31 March 2022

The directors present their annual report and the audited consolidated financial statements of FluidOne Topco Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 March 2022.

Principal activities

The principal activity of the Company is that of a holding company. The principal activities of the Group are the provision of services and support in relation to data, mobile and voice communications, IT managed services and cyber security for business customers.

Results and dividends

The loss for the financial year amounted to £9,348,272 (2021 as restated - £6,170,305).

The directors do not recommend any payment of dividend (2021 - £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

J Hawkins
R Horton
C Rogers
R Hastings
S Hollingsworth
M Aneese (resigned 3 October 2021)
T Reece (appointed 3 October 2021)
P Lynch (appointed 31 January 2022)

Directors indemnities

The Company has made qualifying third-party indemnity provisions for the purposes of the Companies Act 2006, which were made throughout the period and up to the date of signing of the Financial statements.

Emissions and Energy Consumption statement

The Company and Group is committed to responsible energy management and practice energy efficiency throughout our organisation. We recognise that climate change is one of the most prominent challenges which threatens the global community and we recognise that we have a role to play in reducing greenhouse emissions.

The below shows the energy used by the Group and carbon emissions in compliance with Streamlined Energy and Carbon Reporting covering energy use and associated greenhouse gas emissions relating to gas and electricity.

	2022
Energy usage amount in kWh	
Gas	296,616
Electricity	260,409
	<hr/> 557,025
Intensity ratio – kWh per employee	2,454
Emissions in kg of carbon dioxide (kg CO2)	
Gas	69,814
Electricity	91,549
	<hr/> 161,363
Kg CO2 per employee	711

FluidOne Topco Limited

Directors' report for the year ended 31 March 2022 (*continued*)

Emissions and Energy Consumption statement (*continued*)

The above kWh were calculated using the electricity providers invoices for electricity and gas consumption across the 5 group locations. Mileage was taken for relevant travel and converted to kWh and CO2 metrics and added within gas. The equivalent government CO2 factors were used to determine the kg CO2 amounts.

Going concern

The Group has a sound financial record including strong operating cash flows derived from a substantial level of recurring revenue across a range of sectors. At 31 March 2022 the Group had net liabilities of £23.7m. The net liabilities position is due to shareholder loan notes. These loan notes are repayable in full in the event of a sale and are currently held by the Company's ultimate controlling party LivingBridge 6 LP as well as members of the Group's senior management team. At the date of signing the business had reverted to a net current asset position, as expected.

The directors have reviewed the current and prospective trading of the Group. This review included an assessment cash balances, borrowing facilities and projected cash flows, together with factors likely to affect its future financial performance and position, as further detailed in the Strategic Report. As a result of this review the directors believe that the Group will have adequate resources to continue trading for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Future developments

The Company expects to continue to act as a holding company for the foreseeable future.

Financial risk management

Financial risks to the Company and their management are discussed in the Strategic Report on page 3.

Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

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



R Hastings
Director

Date: 31 October 2022

FluidOne Topco Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

They are responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

FluidOne Topco Limited

Independent auditor's report FluidOne Topco Limited

Report on the audit of the financial statements

Opinion

In our opinion, FluidOne Topco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2022 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 March 2022; the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

FluidOne Topco Limited

Independent auditor's report FluidOne Topco Limited (*continued*)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to environmental laws, employment laws, health and safety regulations, general data protection regulation and anti-bribery and corruption laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as taxation legislation and the Companies Act 2006.

FluidOne Topco Limited

Independent auditor's report FluidOne Topco Limited (*continued*)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of false revenue to overstate the performance of the business and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries with unusual account combinations in relation to revenue and EBITDA;
- Challenging assumptions and judgements made by management in determining their accounting estimates, in particular in relation to business combinations;
- Review of minutes of meetings held by the board and those charged with governance; and
- Consideration of any changes to the control environment

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Matt Palmer

Matt Palmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date: *31 October 2022*

FluidOne Topco Limited

Consolidated statement of comprehensive income for the year ended 31 March 2022

	Note	2022 £	As restated 2021 £
Turnover	4	41,696,611	33,643,879
Cost of sales		(24,103,502)	(19,827,329)
Gross profit		17,593,109	13,816,550
Administrative expenses		(20,592,432)	(14,407,325)
Exceptional administrative expenses	5	(679,766)	(506,064)
Other operating income	6	-	141,672
Operating loss	7	(3,679,089)	(955,167)
Interest receivable and similar income	11	128	-
Interest payable and similar expenses	12	(5,301,598)	(4,833,973)
Loss before taxation		(8,980,559)	(5,789,140)
Tax on loss	13	(367,713)	(381,165)
Total comprehensive loss for the year		(9,348,272)	(6,170,305)
Attributable to:			
Non-controlling interests		(126,067)	(44,259)
Owners of the parent Company		(9,222,205)	(6,126,046)
Total comprehensive income for the year		(9,348,272)	(6,170,305)

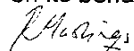
The notes on pages 20 to 43 form part of these financial statements.

FluidOne Topco Limited

Consolidated balance sheet at 31 March 2022

Company number 11825732	Note	2022	2022	As restated	As restated
		£	£	2021	2021
				£	£
Fixed assets					
Intangible assets	14		58,424,784		42,086,297
Tangible assets	15		1,860,506		691,492
			<u>60,285,290</u>		<u>42,777,789</u>
Current assets					
Stocks	17	551,980		213,017	
Debtors	18	10,251,634		6,408,574	
Cash at bank and in hand	19	2,080,474		5,261,827	
			<u>12,884,088</u>	<u>11,883,418</u>	
Creditors: amounts falling due within one year	20	(14,097,135)		(9,946,240)	
Net current (liabilities)/ assets			<u>(1,213,047)</u>		<u>1,937,178</u>
Total assets less current liabilities			<u>59,072,243</u>		<u>44,714,967</u>
Creditors: amounts falling due after more than one year	21		(82,444,587)		(59,156,803)
Provision for liabilities					
Deferred tax	23		(381,485)		-
Net liabilities			<u>(23,753,829)</u>		<u>(14,441,836)</u>
Capital and reserves					
Called up share capital	24		99,811		97,401
Share premium account	25		770,477		876,608
Profit and loss account	25		(24,453,791)		(15,371,586)
Non-controlling interest			(170,326)		(44,259)
Total Shareholders' deficit			<u>(23,753,829)</u>		<u>(14,441,836)</u>

The financial statements on pages 13 to 43 were approved and authorised for issue by the board and were signed on its behalf by:



R Hastings
Director

Date: 31 October 2022

The notes on pages 20 to 43 form part of these financial statements.

FluidOne Topco Limited

Consolidated statement of changes in equity for the year ended 31 March 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent company £	Non- controlling interests £	Total shareholders deficit £
At 1 April 2020 (as previously stated)	98,500	886,500	(9,292,959)	(8,307,959)	-	(8,307,959)
Prior year adjustment (see note 32)			47,419	47,419	-	47,419
1 April 2020 (as restated)	98,500	886,500	(9,245,540)	(8,260,540)	-	(8,260,540)
Loss for the financial year (as restated)	-	-	(6,126,046)	(6,126,046)	(44,259)	(6,170,305)
Total comprehensive income for the financial year	-	-	(6,126,046)	(6,126,046)	(44,259)	(6,170,305)
Purchase of own shares	(1,099)	(9,892)	-	(10,991)	-	(10,991)
Total transactions with owners	(1,099)	(9,892)	-	(10,991)	-	(10,991)
1 April 2021 (as restated)	97,401	876,608	(15,371,586)	(14,397,577)	(44,259)	(14,441,836)

The notes on pages 20 to 43 form part of these financial statements.

FluidOne Topco Limited

Consolidated statement of changes in equity for the year ended 31 March 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent company £	Non- controlling interests £	Total shareholders deficit £
At 1 April 2021 (as previously stated)	97,401	876,608	(15,488,873)	(14,514,864)	(44,259)	(14,559,123)
Prior year adjustment (see note 32)	-	-	117,287	117,287	-	117,287
1 April 2021 (as restated)	97,401	876,608	(15,371,586)	(14,397,577)	(44,259)	(14,441,836)
Loss for the financial year	-	-	(9,222,205)	(9,222,205)	(126,067)	(9,348,272)
Total comprehensive income for the financial year	-	-	(9,222,205)	(9,222,205)	(126,067)	(9,348,272)
Shares issued during the year	4,000	48,184	-	52,184	-	52,184
Purchase of own shares	(1,590)	(14,315)	-	(15,905)	-	(15,905)
Capital reduction	-	(140,000)	140,000	-	-	-
Total transactions with owners	2,410	(106,131)	140,000	36,279	-	36,279
At 31 March 2022	99,811	770,477	(24,453,791)	(23,583,503)	(170,326)	(23,753,829)

The notes on pages 20 to 43 form part of these financial statements.

FluidOne Topco Limited

Consolidated statement of cash flows for the year ended 31 March 2022

	2022 £	As restated 2021 £
Cash flows from operating activities		
Loss for the financial year	(9,348,272)	(6,170,305)
Adjustments for:		
Amortisation of intangible assets	6,407,763	4,919,708
Depreciation of tangible assets	421,863	284,649
Interest payable	5,301,598	4,833,973
Interest received	(128)	-
Taxation charge	367,713	381,165
Loss on disposal of tangible assets	-	577
Decrease in stocks	775,681	38,730
Decrease in debtors	58,691	66,613
Increase in creditors	(2,628,047)	(452,746)
Corporation tax paid	-	(85,668)
	<hr/>	<hr/>
Net cash generated from operating activities	1,356,861	3,816,696
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of intangible assets	(528,652)	(396,018)
Purchase of tangible assets	(116,022)	(84,742)
Purchase of business, less cash required	(22,488,738)	(4,418,476)
Purchase of subsidiary – CSA late deal fee	(71,691)	-
Interest received	128	-
	<hr/>	<hr/>
Net cash used in investing activities	(23,204,975)	(4,899,236)
	<hr/>	<hr/>
Cash flows from financing activities		
Issue of ordinary shares	52,184	-
Purchase of ordinary shares	(15,905)	(10,991)
New secured loans	20,000,000	2,050,000
Repayment of loans	(463,601)	(453,333)
Repayment of other loans	-	(2,000,000)
Interest paid	(828,055)	(794,851)
HP repayments	(77,862)	-
	<hr/>	<hr/>
Net cash from/ (used in) financing activities	18,666,761	(1,209,175)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(3,181,353)	(2,291,715)
Cash and cash equivalents at beginning of the year	5,261,827	7,553,542
	<hr/>	<hr/>
Cash and cash equivalents at end of year	2,080,474	5,261,827
	<hr/>	<hr/>
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	2,080,474	5,261,827
	<hr/>	<hr/>

The notes on pages 20 to 43 form part of these financial statements.

FluidOne Topco Limited

Company balance sheet at 31 March 2022

Company number 11825732	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	16		111,431		111,431
Current assets					
Debtors	18	1,149,297		967,128	
Creditors: amounts falling due within one year	20	(351,196)		(174,355)	
Net current assets			798,101		792,773
Total assets less current liabilities			909,532		904,204
Capital and reserves					
Called up share capital	24		99,811		97,401
Share premium account	25		770,477		876,608
Profit and loss account	25		39,244		(69,805)
Total shareholders' funds			909,532		904,204

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss of the company for the year was £30,951 (2021 - £34,404).

The financial statements on pages 13 to 43 were approved and authorised for issue by the board and were signed on its behalf by:



R Hastings
Director

Date 31 October 2022

The notes on pages 20 to 43 form part of these financial statements.

FluidOne Topco Limited

Company statement of changes in equity for the year ended 31 March 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 April 2020	98,500	886,500	(35,401)	949,599
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(34,404)	(34,404)
Total comprehensive income for the financial year	-	-	(34,404)	(34,404)
Purchase of own shares	(1,099)	(9,892)	-	(10,991)
Total transactions with owners	(1,099)	(9,892)	-	(10,991)
At 1 April 2021	97,401	876,608	(69,805)	904,204
Loss for the financial year	-	-	(30,951)	(30,951)
Total comprehensive income for the financial year	-	-	(30,951)	(30,951)
Shares issued during the year	4,000	48,184	-	52,184
Purchase of own shares	(1,590)	(14,315)	-	(15,905)
Capital reduction	-	(140,000)	140,000	-
Total transactions with owners	2,410	(106,131)	140,000	36,279
At 31 March 2022	99,811	770,477	39,244	909,532

The notes on pages 20 to 43 form part of these financial statements.

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022

1 General information

FluidOne Topco Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 5 Hatfields, London, SE1 9PG.

The principal activity of the Company is that of a holding company. The principal activities of the Group is the provision and support of telecommunication services primarily focused on internet connectivity, wide area networks and mobile for business.

The accounts are prepared in pound sterling (£) and rounded to the nearest £1.

2 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied consistently throughout the year:

Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The following subsidiary companies are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of S479A of the Act:

- FluidOne Limited (company number 05296759)
- FluidOne Bidco Limited (company number 11826882)
- FluidOne Midco 1 Limited (company number 11825911)
- FluidOne Midco 2 Limited (company number 11826723)
- FluidOne Holdings Limited (company number 09787794)
- Cyber Security Associates Limited (company number 10124305)
- PSU Technology Group Limited (company number 04812202)
- PSU ICT Limited (company number 11847596)
- PSU Business Technology Group Limited (company number 07738268)
- The SAS Group of Companies Limited (company number 04318754)

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (*continued*)

2 Accounting policies (*continued*)

Going concern

The Group has a sound financial record including strong operating cash flows derived from a substantial level of recurring revenue across a range of sectors. At 31 March 2022 the Group had net liabilities of £23.7m. The net liabilities position is due to shareholder loan notes. These loan notes are repayable in full in the event of a sale and are currently held by the Company's ultimate controlling party LivingBridge 6 LP as well as members of the Group's senior management team. At the date of signing the business had reverted to a net current asset position, as expected.

The directors have reviewed the current and prospective trading of the Group. This review included an assessment cash balances, borrowing facilities and projected cash flows, together with factors likely to affect its future financial performance and position, as further detailed in the Strategic Report. As a result of this review the directors believe that the Group will have adequate resources to continue trading for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

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 Group's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

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

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group 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

Turnover 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 turnover can be measured reliably;
- it is probable that the Group 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.

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (*continued*)

2 Accounting policies (*continued*)

Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

Government grants

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in other income in the period in which it becomes receivable, and the related expense is incurred.

Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 Balance Sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

2 Accounting policies (continued)

Current and deferred taxation (continued)

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 Balance Sheet date.

Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

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 the Group's share 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 Consolidated Statement of Comprehensive Income over its useful economic life.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives. Amortisation begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only

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.

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.

Amortisation is provided on the following bases:

Software (including development costs)	- 20% straight line
Goodwill	- 10% straight line
Trademarks	- 10% straight line
Software tech	- 20% straight line

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

2 Accounting policies (continued)

Tangible assets

Tangible 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, using the straight-line method.

Leasehold improvements	- 10% straight line
Leased assets	- 20% straight line
Fixtures and fittings and office equipment	- 10% straight line
Datacentre equipment	- 20% straight line
Motor vehicles	- 25% straight line

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 the Consolidated Statement of Comprehensive Income.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each Balance Sheet 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 Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Onerous leases

Where the unavoidable costs as lessee of an operating lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (*continued*)

2 Accounting policies (*continued*)

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.

Cash at bank and in hand

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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.

Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

Financial instruments

The Group 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 Consolidated Statement of Comprehensive Income.

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

2 Accounting policies (continued)

Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Group would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Balance Sheet date and the reported amounts of revenues and expenses during the reporting period.

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. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known/materialise.

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

In preparing these financial statement the directors have made the following key judgements:

(i) Business combination

As required by FRS 102, the Group has had to estimate the fair value of identifiable assets, including intangible assets, acquired as part of business combinations in the year. The directors have used their best estimates in determining identifiable assets and the calculation of their fair value. The calculation of fair value, in particular, involves the use of various estimates concerning cash flows that will arise from the asset, useful economic lives of the asset and also the time value of money. Further details of business combinations are given in note 26.

(ii) Useful economic lives of tangible assets and intangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 14 and 15 for the carrying amount of the intangible and tangible assets, and note 2 for the useful economic lives for each class of assets.

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

3 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The following key estimates have been used in the preparation of the financial statements:

(i) Bad debts provisions

The trade debtors balances of £6,845,341 (2021 - £4,318,087) recorded in the Consolidated Balance Sheet comprise a relatively large number of small balances. A full line by line review of trade debtors is carried out on a regular basis, with a full comprehensive review at the end of the year. While every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

4 Turnover

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

	2022 £	2021 £
Provision of services	40,427,389	32,426,846
Sale of goods	1,269,222	1,217,033
	<u>41,696,611</u>	<u>33,643,879</u>

All turnover arose within the United Kingdom.

5 Exceptional costs

	2022 £	2021 £
Restructuring costs	161,583	270,967
Acquisition costs	518,183	235,097
	<u>679,766</u>	<u>506,064</u>

Exceptional costs are driven by the acquisition in the year and the restructuring of teams. These costs are associated with integration and not directly linked to the purchase.

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

6	Other income	2022	2021
		£	£
	Furlough income	-	141,672
		<hr/>	<hr/>
7	Operating loss	2022	As restated 2021
		£	£
	This is arrived at after charging:		
	Depreciation of tangible assets	421,863	284,649
	Amortisation of intangible assets, including goodwill	6,407,763	4,919,708
	Loss on disposal of tangible assets	-	577
	Operating lease rentals	623,901	474,866
	Impairment of trade debtors	11,852	63,346
		<hr/>	<hr/>
8	Auditors' remuneration	2022	2021
		£	£
	Fees payable to the Group's auditors for the audit of the Group's annual financial statements	97,400	103,200
		<hr/>	<hr/>
	Fees payable to the Group's auditors in respect of:		
	All other services	46,100	67,800
		<hr/>	<hr/>

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

9 Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	8,198,983	5,136,187	-	-
Social security costs	998,643	514,561	-	-
Other pension costs	433,460	258,986	-	-
	<u>9,631,086</u>	<u>5,909,734</u>	<u>-</u>	<u>-</u>

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

	2022 Number	2021 Number
Administration	39	31
Management	6	11
Sales	55	41
Technical support	67	49
	<u>167</u>	<u>132</u>

10 Directors' remuneration

	2022 £	2021 £
Aggregate directors' remuneration	657,469	632,719
Company contributions to defined contribution pension scheme	35,298	30,342
	<u>692,767</u>	<u>663,061</u>

During the year retirement benefits were accruing to 4 (2021 – 5) directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £223,933 (2021 – £184,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,875 (2021 – £10,500).

Directors emoluments are paid by FluidOne Limited and the amount is then recharged to FluidOne Bidco Limited.

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

11 Interest receivable

	2022 £	2021 £
Bank interest receivable	128	-

12 Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	828,055	849,607
Loan note interest payable	4,360,457	3,748,771
Loan fee amortisation	113,086	235,595
	<u>5,301,598</u>	<u>4,833,973</u>

13 Tax on loss

	2022 £	2021 £
<i>UK corporation tax</i>		
Current tax on losses for the financial year	290,225	447,176
Adjustments in respect of previous periods	106,704	(43,173)
Total current tax	<u>396,929</u>	<u>404,003</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(18,066)	(102,602)
Changes to tax rates	(35,598)	-
Adjustments in respect of previous periods	24,448	79,764
Total deferred tax	<u>(29,216)</u>	<u>(22,838)</u>
Total tax	<u>367,713</u>	<u>381,165</u>

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

13 Tax on loss (continued)

Factors affecting tax charge for the financial year

The tax assessed for the financial year is higher than (2021 – higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	As restated 2021 £
Loss before taxation	(8,980,559)	(5,789,140)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19% (2021 – 19%)	(1,706,306)	(1,099,937)
Effects of:		
Expenses not deductible	2,058,414	765,314
Tax rate changes	(35,598)	-
Research and development	-	(14,050)
Adjustments in respect of previous periods	131,152	36,591
Deferred tax not provided	35,499	(69,083)
Income not taxable	(115,448)	-
Total tax charge for the financial year	367,713	381,165

Factors that may affect future tax charges

From 1 April 2023, the Corporation Tax main rate for non-ring fenced profits will be increased to 25% applying to profits over £250,000. A small profits rate (SPR) will also be introduced for companies with profits of £50,000 or less so that they will continue to pay Corporation Tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 *(continued)*

14 Intangible fixed assets

Group	Goodwill £	Trademarks £	Software £	Software tech £	Total £
<i>Cost</i>					
At 1 April 2021 (as previously stated)	50,909,825	140,313	1,142,874	23,252	52,216,264
Prior year restatement	(698,683)	-	-	-	(698,683)
At 1 April 2021 (as restated)	50,211,142	140,313	1,142,874	23,252	51,517,581
Additions	22,926,016	-	463,534	65,118	23,454,668
On acquisition of subsidiaries	-	-	148,578	-	148,578
Revaluation of goodwill	(856,996)	-	-	-	(856,996)
At 31 March 2022	72,280,162	140,313	1,754,986	88,370	74,263,831
<i>Accumulated amortisation</i>					
At 1 April 2021 (as previously stated)	9,225,976	36,648	273,522	12,425	9,548,571
Prior year restatement	(117,287)	-	-	-	(117,287)
At 1 April 2021 (as restated)	9,108,689	36,648	273,522	12,425	9,431,284
Charge for the year	6,009,498	17,604	366,384	14,277	6,407,763
At 31 March 2022	15,118,187	54,252	639,906	26,702	15,839,047
<i>Net book value</i>					
At 31 March 2022	57,161,975	86,061	1,115,080	61,668	58,424,784
At 31 March 2021	41,102,453	103,665	869,352	10,827	42,086,297

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

15 Tangible fixed assets

Group	Leasehold improvements £	Leased assets £	Fixtures, fittings and office equipment £	Datacentre equipment £	Motor vehicles £	Total £
<i>Cost</i>						
At 1 April 2021	27,189	228,313	604,001	397,569	-	1,257,072
Additions	-	12,195	53,839	49,988	-	116,022
On acquisition of subsidiaries	1,934	-	1,436,925	-	35,996	1,474,855
At 31 March 2022	29,123	240,508	2,094,765	447,557	35,996	2,847,949
<i>Accumulated depreciation</i>						
At 1 April 2021	5,601	155,802	190,593	213,584	-	565,580
Charge for the year	368	44,698	260,746	110,665	5,386	421,863
At 31 March 2022	5,969	200,500	451,339	324,249	5,386	987,443
<i>Net book value</i>						
At 31 March 2022	23,154	40,008	1,643,426	123,308	30,610	1,860,506
At 31 March 2021	21,588	72,511	413,408	183,985	-	691,492

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

16 Investments

Company	Investments in subsidiary companies £
<i>Cost</i>	
At 1 April 2021	111,431
	<hr/>
At 31 March 2022	111,431
	<hr/>
<i>Net book value</i>	
At 31 March 2022	111,431
	<hr/>
At 31 March 2021	111,431
	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the Company.

Name	Registered office	Principal activity	Class of shares	Holding
FluidOne Midco 1 Limited	5 Hatfields, London, England, SE1 9PG	Holding company	Ordinary	100%
FluidOne Midco 2 Limited*	5 Hatfields, London, England, SE1 9PG	Holding company	Ordinary	100%
FluidOne Bidco Limited*	5 Hatfields, London, England, SE1 9PG	Holding company	Ordinary	100%
FluidOne Holdings Limited*	5 Hatfields, London, England, SE1 9PG	Holding company	Ordinary	100%
FluidOne Limited*	5 Hatfields, London, England, SE1 9PG	IT and communications services	Ordinary	100%
Fluidata Limited	5 Hatfields, London, England, SE1 9PG	Dormant	Ordinary	100%
One Point Communications Limited*	5 Hatfields, London, England, SE1 9PG	Dormant	Ordinary	100%
One Point Telecom Limited*	5 Hatfields, London, England, SE1 9PG	Dormant	Ordinary	100%
Cyber Security Associates Limited*	5 Hatfields, London, England, SE1 9PG	Cyber security solutions	Ordinary	60%

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

16 Investments (continued)

Name	Registered office	Principal activity	Class of shares	Holding
PSU ICT Limited *	5 Hatfields, London, England, SE1 9PG	Holding company	Ordinary	100%
PSU Business Technology Group Limited*	5 Hatfields, London, England, SE1 9PG	Holding company	Ordinary	100%
PSU Technology Group Limited*	Unit 1, Manchester Business Park, Tewkesbury Road, Cheltenham, Gloucestershire, GL51 9EJ	IT and telecom solutions	Ordinary	100%
PSU Talk Limited*	5 Hatfields, London, England, SE1 9PG	Dormant	Ordinary	100%
The SAS Group of Companies Limited*	5 Hatfields, London, England, SE1 9PG	Holding company	Ordinary	100%
SAS Global Communications Limited*	5 Hatfields, London, England, SE1 9PG	IT and telecom solutions	Ordinary	100%
SAS Managed Applications Limited*	5 Hatfields, London, England, SE1 9PG	Dormant	Ordinary	100%
SAS Telecom Limited*	5 Hatfields, London, England, SE1 9PG	Dormant	Ordinary	100%
Tidewell Solutions Limited*	5 Hatfields, London, England, SE1 9PG	Dormant	Ordinary	100%
SAS Network Services Limited*	5 Hatfields, London, England, SE1 9PG	Dormant	Ordinary	100%
The SAS Business Group Limited*	5 Hatfields, London, England, SE1 9PG	Dormant	Ordinary	100%

*Indirectly held

The SAS Group of Companies Limited, SAS Global Communications Limited, SAS Managed Applications Limited, SAS Telecom Limited, Tidewell Solutions Limited, SAS Network Services Limited and The SAS Business Group Limited were acquired during the year by subsidiaries of FluidOne Topco Limited.

17 Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	551,980	213,017

The difference between purchase price or production cost of stocks and their replacement cost is not material. There are no stock provisions in the year.

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

18 Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	6,704,935	4,318,087	-	-
Amounts owed by group undertakings	-	2	1,123,979	959,058
Other debtors	779,839	512,742	-	-
Tax recoverable	25,318	-	25,318	8,070
Deferred taxation (note 23)	-	4,006	-	-
Prepayments and accrued income	2,741,542	1,573,737	-	-
	<u>10,251,634</u>	<u>6,408,574</u>	<u>1,149,297</u>	<u>967,128</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The provision for impairment of trade debtors for the year is £231,705 (2021 - £62,794).

19 Cash at bank and in hand

	Group 2022 £	Group 2021 £
Cash at bank and in hand	<u>2,080,474</u>	<u>5,261,827</u>

20 Creditors: amounts falling due within one year

	Group 2022 £	Restated Group 2021 £	Company 2022 £	Company 2021 £
Bank Loans < 1 year	458,945	453,334	-	-
Trade creditors	2,587,968	1,885,276	-	36,000
Amounts owed to group undertakings	-	-	323,629	101,590
Corporation tax	398,302	288,811	-	-
Taxation and social security	1,434,645	1,712,343	-	-
Other creditors	2,416,190	792,790	-	-
Accruals and deferred income	6,801,085	4,813,686	27,567	36,765
	<u>14,097,135</u>	<u>9,946,240</u>	<u>351,196</u>	<u>174,355</u>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

21 Creditors: amounts falling due after more than one year

	Group 2022 £	As restated Group 2021 £	Company 2022 £	Company 2021 £
Senior term facility	22,053,066	14,571,423	-	-
Bridging loan	12,208,047	-	-	-
Livingbridge loan notes A	43,440,389	39,341,929	-	-
Maragement loan notes B	569,680	515,727	-	-
Contingent consideration	3,870,728	4,727,724	-	-
HP loans	302,677	-	-	-
	<u>82,444,587</u>	<u>59,156,803</u>	<u>-</u>	<u>-</u>

22 Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	As restated Group 2021 £
Amounts falling due within one year		
Bank loans	458,945	453,334
	<u>458,945</u>	<u>453,334</u>
Amounts falling due 1-2 years		
Bank loans - A	906,667	508,090
Bridging loan	12,208,047	-
HP loans	302,677	-
Bounce back loan	22,451	-
	<u>13,439,842</u>	<u>508,090</u>
Amounts falling due after more than 5 years		
Bank loan – A	226,643	1,133,333
Bank loan – B	10,880,000	12,930,000
Bank loan acquisition facility	10,000,000	-
Loan notes	44,010,069	39,857,656
Contingent consideration	3,870,728	4,727,724
Bounce back loan	17,305	-
	<u>69,004,745</u>	<u>58,648,713</u>
	<u>82,903,532</u>	<u>59,610,137</u>

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

22 Loans (continued)

- £12,472,279 of the bank loans are secured by a fixed and floating charge on assets of the Group
- Bank loan A - Principal payments are made on a quarterly basis, interest rate is 3.5% - 4.25%.
- Bank loan B - Interest only with a full payment at maturity, interest rate is 3.5% - 4.25%.
- Bank loan acquisition Facility - Interest rate is 3.5% - 4.25% and a commitment fee of 35% on undrawn values.
- RCF of £2 million - In the financial year for 5 consecutive business days, interest rate is 3.5% - 4.25% and a commitment fee of 35% on undrawn values.
- Bounce back Loan - Repayable from June 21 on a monthly basis at a rate of 2.5%.

23 Deferred taxation

Group	£	
At beginning of year		4,006
Credited to profit or loss		53,664
Arising on business combinations		(414,707)
Adjustments in respect of previous periods		(24,448)
		<hr/>
At end of year		(381,485)
	<hr/>	<hr/>
	Group 2022 £	Group 2021 £
Accelerated capital allowances	(54,290)	(16,634)
Tax losses carried forward	87,802	4,180
Short term timing differences	(394,686)	16,460
Intangible assets	(20,311)	-
	<hr/>	<hr/>
At end of year	(381,485)	4,006
	<hr/>	<hr/>

24 Share capital

	2022 £	2021 £
<i>Allotted, called up and fully paid</i>		
7,849,173 (2021 – 7,849,173) ordinary 'A' shares of £0.01 each	78,492	78,492
137,001 (2021 – 143,914 Ordinary 'B' shares of £0.01 each	1,370	1,439
1,994,858 (2021 – 1,747,000) Ordinary 'C' shares of £0.01 each	19,949	17,470
	<hr/>	<hr/>
	99,811	97,401
	<hr/>	<hr/>

During the year, Fluidone Topco Limited cancelled and bought back 6,913 Ordinary B shares with a nominal value of £0.01 and 152,142 Ordinary C shares with a nominal value of £0.01. The total consideration paid was £29,309. Additionally, 400,000 Ordinary C shares were issued with a nominal value of £0.01 per share at a premium of £0.12 per share.

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 *(continued)*

25 Reserves

Share capital

The nominal value of shares held at the year end date.

Share premium account

The share premium account represents amounts raised on the initial allotment of share capital in excess of the nominal value of shares issued, less any costs directly attributable to the issue of that share capital.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Group.

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

26 Business combinations

Acquisition of The SAS Group of Companies Ltd

On 21st December 2021 the group acquired 100% of The SAS Group of Companies Ltd, including its subsidiaries SAS Global Communications Limited, SAS Managed Applications Limited, SAS Telecom Limited, Tidewell Solutions Limited, SAS Network Services Limited and The SAS Business Group Limited. In calculating the goodwill arising on acquisition, the fair value of net assets of the consolidated results of the companies acquired have been assessed and adjustments from book value have been made where necessary. The whole of the issued share capital of The SAS Group of Companies Ltd for the total consideration of £23,979,247.

The following schedule shows the net assets acquired:

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Intangible	148,578	-	148,578
Tangible	1,474,855	-	1,474,855
Current assets			
Debtors	4,897,530	279,010	5,176,540
Stock	388,641	-	388,641
Cash at bank and in hand	1,490,509	-	1,490,509
Creditors	(6,261,261)	(878,233)	(7,139,494)
Deferred tax	-	(414,707)	(414,707)
Total identifiable net liabilities	2,138,852	(1,013,930)	1,124,922
Goodwill			22,854,325
Total purchase consideration			23,979,247
Consideration			£
Cash			23,442,000
Directly attributable costs			537,247
Total purchase consideration			23,979,247

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

Cash outflow on acquisition	£
Purchase consideration settled in cash, as above	23,442,000
Directly attributable costs	537,247
	<hr/>
Less: Cash and cash equivalents acquired	(1,490,509)
	<hr/>
Net cash outflow on acquisition	22,488,738
	<hr/>

Since the acquisition date, The SAS Group of Companies Limited has contributed £4,985,128 to group turnover and £337,916 to group profit.

The fair value uplift to debtors relates to the tax benefit of share options exercised on the date of acquisition totalling £418,378 offset by provisions against trade debtors of £139,368.

The fair value uplift to creditors relates to accruals not previously recognised.

The fair value uplift to deferred tax relates to deferred tax not previously recognised.

27 Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £433,460 (2021 - £258,986). Contributions totalling £42,038 (2021 - £27,029) were payable to the fund at the Balance Sheet date and are included in creditors.

28 Commitments under operating leases

At 31 March 2022 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than one year	359,941	446,629
Later than one year and not later than 5 years	1,245,068	1,441,459
Later than 5 years	-	295,218
	<hr/>	<hr/>
	1,605,009	2,183,306
	<hr/>	<hr/>

29 Related party transactions

Along with Livingbridge 6 LP (LB), the key management team hold shares issued by FluidOne Topco Limited. There are no conditions attached to the shares held by key management the benefit will arise in the event of a sale *pari passu* with LB.

The Company has taken advantage of the exemptions provided by the Reporting Standards and has not disclosed transactions with wholly owned Group companies.

FluidOne Topco Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

30 Ultimate parent undertaking and controlling party

The smallest and largest group to consolidate these financial statements, is FluidOne Topco Limited, a Company incorporated in the United Kingdom. The registered address of the Company is 5 Hatfields, London, England, SE1 9PG. LivingBridge 6 LP (reg no LPO17503) is the ultimate parent entity and it's registered address is 100 Wood Street, London, EC2V 7AN.

31 Post balance sheet events

FluidOne Limited, a subsidiary of the group, acquired the entire share capital of UK-based Marathon Managed Services Holdings Group Limited, a group comprising Marathon Information Technology Services Limited and William Jarrod Partnership Limited on 12 May 2022 for total consideration of £15m with a further £15m available based on post-acquisition performance. The business conducted a refinancing at the time of the acquisition which provided sufficient capital for the acquisition. The best available facility was with the existing provider, HSBC. The refinancing comprises a loan of £52.5m, a Committed Acquisition Facility of £15m and a Super Senior RCF of £2m. The facility has been made available for 4.5 years with 4 years available on the Super Senior RCF. The businesses will be reported within our IT services, delivering first class managed IT services to their customers.

32 Prior year adjustment

In 2019 the group was formed as part of the investment by Livingbridge LP 6. As part of this transaction management loan notes were issued by FluidOne Bidco Limited, and through a series of put and call options were rolled up to FluidOne Topco Limited. In the first period of account to 31 March 2020 the management loan notes were overstated as the intercompany balances had not been eliminated on consolidation. This led to a corresponding overstatement of goodwill and subsequently the amortisation charge for the year on that goodwill. The impact of this on the group's consolidated results is as follows:

	As previously reported at 31/03/20	Adjustment at 31/03/20	As restated at 31/03/20	As previously reported at 31/03/21	Adjustment at 31/03/21	As restated at 31/03/21
Goodwill	36,930,202	(746,102)	36,184,100	41,683,849	(581,396)	41,102,453
Administrative expenses	4,738,948	(47,419)	4,691,529	4,989,576	(69,868)	4,919,708
Management loan notes	(36,807,569)	698,683	(36,108,886)	(40,556,340)	698,683	(39,857,657)
Profit and loss reserves	(9,292,959)	47,419	(9,245,540)	(15,488,873)	117,287	(15,371,586)
Loss for the period	(9,292,959)	47,419	(9,245,540)	(6,240,173)	69,868	(6,170,305)

FluidOne Topco Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

33 Net debt reconciliation

	At 1 April 2021 £	Acquisition of subsidiaries £	Cash flows £	Other non-cash changes £	At 31 March 2022 £
Cash at bank and in hand	5,261,827	1,490,509	(4,671,862)	-	2,080,474
Bank loans due < 1 year (net of loan issue costs)	(453,334)	-	463,601	(469,212)	(458,945)
Bank loans > 1 year (net of loans issue costs)	(14,571,423)	-	(20,000,000)	310,310	(34,261,113)
Loan notes	(39,857,657)	-	-	(4,152,411)	(44,010,068)
Obligations under finance leases	-	(380,539)	77,862	-	(302,677)
	(49,620,587)	1,109,970	(24,130,399)	(4,311,313)	(76,952,329)