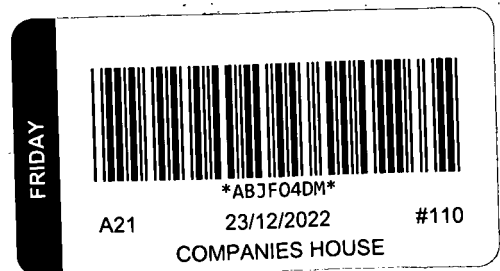


Registration number: 02888250

Daisy Corporate Services Trading Limited

Annual Report and Financial Statements

for the year ended 31 March 2022



Daisy Corporate Services Trading Limited

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Daisy Corporate Services Trading Limited

Directors and advisors

Directors

- P Worthington
- D McGlennon
- L Charlton
- M Riley
- S Smith
- G Tunnicliffe
- E Poltawski

Registered office

- Lindred House
- 20 Lindred Road
- Brierfield
- Nelson
- BB9 5SR
- United Kingdom

Bankers

- Barclays Bank plc
- 1 Churchill Place
- Canary Wharf
- London
- E14 5HP

Independent auditors

- PricewaterhouseCoopers LLP
- Chartered Accountants and Statutory Auditors
- Manchester Hardman Sq 1, Hardman Square
- Manchester
- M3 3EB
- United Kingdom

Daisy Corporate Services Trading Limited

Strategic report for the year ended 31 March 2022

The directors present their strategic report for Daisy Corporate Services Trading Limited ("the Company") for the year ended 31 March 2022.

Business review

The Company reported a profit before tax for the year of £0.4 million (Restated 2021: £5.3 million) after net exceptional administrative expenses of £3.8 million (2021: £1.9 million) and Coronavirus Job Retention Scheme Income of £nil (2021: £2.4 million). At 31 March 2022 the Company had net assets of £211.1 million (Restated 31 March 2021: £206.0 million).

Prior period restatement

A restatement of the prior period income statement and balance sheet has been made in these financial statements to recognise a right-of-use asset and lease liability, together with the corresponding depreciation charge and finance costs, in relation to a property lease that was novated from a fellow group undertaking on 1 April 2020 and had not previously been recognised in error. The net impact of this adjustment is a decrease in profit before tax and net assets of £1.3 million.

Key performance indicators

	Year ended 31 March 2022	Year ended 31 March 2021
	£ 000	£ 000
Turnover	201,375	203,544
Operating profit	1,425	6,410
Adjusted EBITDA*	37,438	39,873

* Adjusted EBITDA is operating profit before depreciation, amortisation and net exceptional administrative expenses, which the directors consider the most appropriate measure of the Company's results that they use to make decisions about the business. The reconciliation of Adjusted EBITDA to operating profit can be found on the face of the income statement set out on page 14.

The Company has performed in line with expectations for the year. For a full analysis on the movement in KPIs refer to Daisy Holdco Limited's consolidated financial statements.

Future developments

The Company is focused on improving operational efficiency and cross-selling additional products and services to its customer base.

Daisy Corporate Services Trading Limited

Strategic report for the year ended 31 March 2022 (continued)

Principal risks and uncertainties

The directors regularly assess the key business risks of the Company, which are considered to be:

Increased competition

The already competitive telecommunications and IT market could become even more competitive and the Company could suffer increased competition from large national competitors or indeed smaller organisations operating at a local level. The Company mitigates this risk by focussing on providing the highest possible level of customer service whilst offering customers a broad range of competitively-priced products. Furthermore, the Company closely monitors the activity of competitors and the wider market to ensure that it is positioned appropriately with its product and service portfolio.

Technological change

The market for the Company's services is characterised by technological developments and changes, frequent introductions of new products and services and evolving industry standards. There is a risk that the Company may fail to secure the necessary contracts to supply its customers with the latest technology. The Company mitigates this risk by maintaining close relationships with suppliers, which it believes will keep it at the forefront of product development on a sustained basis, and regularly monitors trends in technological advancement so as to anticipate and plan for future changes.

Key resources

The Company is managed by certain key personnel, including executive directors and senior management who have significant experience within the Company and the wider IT and communications sectors and who may be difficult to replace. Furthermore, the Company depends on being able to recruit and retain employees of an appropriate calibre to win and service significant contracts. The Company has sought to mitigate this resource risk by investing in staff training programmes; competitive reward and compensation packages, management incentive schemes and succession planning.

Regulatory change

The Company recognises that the pricing of products and services and the activities of major industry organisation may be affected by the actions of regulatory bodies in the UK and the EU. Such actions could affect the Group's profitability either directly or indirectly. The Company mitigates this risk by regularly monitoring and assessing the likelihood and potential impact of regulatory change.

Data protection and back-up

The Company holds a significant volume of confidential data. Failure to comply with data privacy regulations and standards or weakness in internet security may result in a major data privacy breach causing reputational damage to the Company's brands and financial loss. Breach of IT security may cause data to be lost, corrupted or accessed by unauthorised users, impacting the Company's reputation. This could give rise to legal or regulatory penalties as well as commercial costs. The Company has processes and procedures in place to monitor effectiveness of customer back-up and is continually upgrading security equipment and software and making improvements to physical security processes. Penetration testing is performed on a regular basis to test the security of the sites and data. Thorough investigations are carried out of any incidents arising and corrective action is taken.

Covid-19

The ongoing global pandemic has had a significant impact on the working practices of the Company's employees and its customers over recent years. The Company has adopted all Government advice to keep both its customers and employees safe and will continue to do so to enable the business to trade as effectively as possible in the current conditions.

Climate change

The impact of climate change on the world we live in may include changes in pricing, availability of energy and potential future changes in legislation, which could impact the Group's provision of data centres in particular. The Group mitigates this risk by promoting a Net Zero carbon strategy and encouraging suppliers to do the same.

Daisy Corporate Services Trading Limited

Strategic report for the year ended 31 March 2022 (continued)

Brexit

Management continues to closely monitor developments in relation to Brexit and the potential consequential political and economic uncertainties in order to mitigate any risks to the business.

Ukraine

At the time of signing the accounts, the Group has considered the ongoing war in Ukraine. This does not constitute an adjusting event under IAS 10 'Events after the reporting period'. There has been no material direct or indirect impact to the Group requiring disclosure.

Section 172 Statement

Under section 172 of the Companies Act 2006, the directors have a duty to promote the success of the Company for the benefit of its members as a whole. This includes having due regard to the broad range of stakeholders of the Company, such as its workforce, customers, suppliers, shareholders and its impact on the wider community and environment.

The Company's board was made up during the year of its Chief Executive Officer, Chief Financial Officer and four other directors, comprising both department heads within the Company and certain Group-level directors, who together are responsible for setting the strategy of and managing the Company, subject to certain approvals required from the board of Daisy Holdco Limited ('the Daisy Group'), its ultimate parent company.

The Company engages with its shareholder on a regular basis through the presentation of monthly financial information. Customer feedback is also sought regularly, whether on a transactional basis as part of the customer experience follow up after each interaction or through regular scheduled service review meetings over the course of the year. Similarly, quarterly review meetings are held with many of the main suppliers to the Company, using tools such as the balanced scorecard to identify any potential expectation gaps in services provided.

Employee surveys are issued at least annually and the results discussed with representative employee engagement groups. As part of this the Company recruited a Wellbeing and Engagement Manager in order to encourage improved engagement and enhanced mental health support. Further opportunities for employees to engage with senior management on issues affecting them are given through regular employee forums and meetings with managers. There are two groups, the Hive and the Towards Resilient Action (TRAction), which have been set up to encourage greater internal and external support. During the year, the Company also recruited a Head of ESG (Environment Social and Governance). This role has led to the development of structures for work at all levels, a net-zero carbon strategy and a wider focus on community engagement.

The Company has implemented a Graduate Programme whereby new staff members are exposed to each area of the business in a process that leads, ultimately, to strong client-facing roles. In addition, the Company has developed an active apprenticeship scheme, through which our apprentices have flourished and become full-time employees. In one such case our apprentices developed the new branding for the Company to signify our new People, Planet, Partnership's values. This saw changes to how the Company communicates, both internally and externally. The Company also continues to have excellent links with schools and colleges, including those surrounding our Head Office and growing links to the large local College. This incorporates a work experience initiative to give people exposure to our work in the local area. Furthermore, the Company's STEM Ambassador programme aims to promote the role of women in these crucial areas.

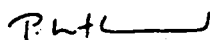
Daisy Corporate Services Trading Limited

Strategic report for the year ended 31 March 2022 (continued)

During the year the Company used its cafeteria's kitchen facilities to produce food for a local soup kitchen, providing both the ingredients and a director who attends and helps serve the food. This is a great example to our staff, who now are further encouraged to do their own volunteering through our 'Helping Hands' initiative. This initiative provides each staff member with a further 3 days paid leave to do voluntary work.

The key decisions taken by the Board in the year have included our new values which feed into how we operate as a business. This means further focus on our workforce and our impacts on wider stakeholders as outlined above. This incorporates a growing focus on how we can support our customers with their requirements, particularly in light of our new values.

Approved by the board on 21 December 2022 and signed on its behalf by:



.....
P Worthington
Director

Daisy Corporate Services Trading Limited

Directors' report for the year ended 31 March 2022

The directors present their annual report and the audited financial statements of the Company for the year ended 31 March 2022. Details of future developments can be found in the strategic report and form part of this report by cross reference, as permitted by section 414C(11) of the Companies Act 2006. The Company has taken an exemption from preparing an Energy and Carbon report by virtue of being included in the Group Energy and Carbon report in the Daisy Holdco Limited consolidated financial statements.

Principal activity

The principal activity of the Company is business communications focused on service provision.

Financial risk management

The Company's operations expose it to a limited number of financial risks, namely credit risk and liquidity risk.

Credit risk

Credit risk arises because a counterparty may fail to perform its obligations. The Company is exposed to credit risk on financial assets such as cash balances and trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts recognised in the balance sheet are net of appropriate allowance for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment on lifetime expected credit losses. Appropriate credit checks are undertaken on all potential customers before new contracts are accepted. Individual exposures are monitored with customers subject to credit limits to ensure the Company's exposure to bad debts is minimised. The Company's customers are spread across a wide range of industry and service sectors and consequently the Company is not exposed to material concentrations of credit on its trade receivables.

Credit risk associated with cash balances and funding to purchase leased vehicles is managed by transacting with financial institutions with high quality credit ratings. Accordingly, the Company's associated credit risk is deemed to be limited. All institutions utilised by the Company require the advance approval of the board.

Liquidity risk

The Company regularly forecasts cash flow to ensure that sufficient cash is available from trading for future expenses and capital expenditure.

Policy on payment to suppliers

The Company's supplier payment policy is to agree terms and conditions for business transactions with suppliers. Suppliers are made aware of the Company's terms of payment. Payment is then made subject to these terms and conditions being met.

Dividends

The directors do not recommend the payment of a dividend (2021: £nil).

Daisy Corporate Services Trading Limited

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

Directors

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

P Worthington

S Oliver (resigned 18 March 2022)

D McGlennon

L Charlton

M Riley

S Smith

G Tunnicliffe

The following director was appointed after the year end:

E Poltawski (appointed 8 November 2022)

Daisy Corporate Services Trading Limited

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

Directors' and officers' liability insurance and indemnity

The Group has indemnity insurance in place on behalf of its directors during the year which remains in force at the date of this report. The articles of association of certain associated companies also contain indemnification provisions in favour of Group directors to the extent permitted by law. In addition, Daisy Holdings Limited, an associated company, has previously made qualifying third party indemnity provisions for the benefit of certain directors of the Company which remained in place through out the year and continue to be in force at the date of this report.

Employees

The Company has an equal opportunities policy which ensures that people are provided with the same opportunities for employment, career development, training and promotion regardless of disability, race, gender, religion/beliefs or age. The directors are committed to maintaining and developing communication and consultation processes with employees, who in turn are encouraged to develop an awareness of the issues affecting the Company and the wider group. The Company aims to be recognised as an employer of choice and seek to maintain strong employee relations in all areas in which we operate. The directors place considerable emphasis on employees sharing in the success of the Company and the wider group.

The Company is committed to open and regular communications to employees about business developments and issues of general interest and concern to them, both on a formal and informal basis. Furthermore, the Company participates in the Group's policies and practices to keep employees informed on matters relevant to them as employees.

Where employees have become disabled in the service of the Company, every effort is made to rehabilitate them in their former occupation or in some suitable alternative.

Employment of disabled persons

It is the Company's policy to apply best practice in the employment of disabled people. Full and fair consideration is given to every application for employment from people with disabilities whose aptitude and skills can be utilised in the business and to their training and career development. This includes, wherever possible, the retraining and retention of staff who became disabled during their employment.

Engagement with employees and other business relationship

Details of the Company's engagement with its employees, customers and suppliers are given in the Section 172 statement in the strategic report.

Post balance sheet events

Subsequent to the year end on 22 September 2022, a deal was signed with Asanti DataCentres Limited ('Asanti') for the sale and novation of certain freehold and leasehold data centre sites in the Company and certain of its subsidiary undertakings. This deal included the novation of three of the Company's leasehold sites, removing lease liabilities of approximately £3.4 million (and associated right-of-use assets of similar value) from the Company's balance sheet, which will be reflected in the Company's financial statements for the year ending 31 March 2023.

Daisy Corporate Services Trading Limited

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

Going concern

Under company law, the directors are required to consider whether it is appropriate to prepare financial statements on the basis that the Company is a going concern. Daisy Group Limited and Daisy Midco Limited, both fellow group companies, have debt facilities in place which are secured through fixed and floating charges over the assets of the Company along with a number of other companies within the Daisy Holdco Limited Group (see note 22). After making adequate enquiries and receiving a confirmation letter from the directors of Daisy Holdco Limited, the directors have a reasonable expectation that the Daisy Holdco Limited Group has adequate resources to continue as a going concern for the foreseeable future.

In addition and with particular reference to the PIK facility drawn by the Daisy Holdco Limited Group through its subsidiary Daisy Midco Limited at the balance sheet date of £213.6 million (including accrued interest), which was used to fund the acquisition of the XLN Group, the directors of the Group have received a letter of support from the provider of this debt, which is also a significant shareholder in the Group, confirming that they will not call in this debt for a period of at least 12 months from the date of approval of these financial statements. Although this facility expired in June 2022 and is currently rolling on a monthly basis, the conversion of this debt into the Group's existing longer term PIK with an expiry date of 2027 has been agreed with the debt provider and is currently in the process of being formally documented.

The Company is cash generative, generating a profit and is in a net current asset and net asset position. The directors have reviewed both a base case growth model and reasonably possible downside case (with no growth from FY22) of the division's forecasts and projections, which include the forecast of the Company, for at least the next 12 months. Having reviewed these forecasts, the directors believe that the Company will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements, and therefore the going concern basis continues to be adopted in preparing the financial statements (see note 1).

Statement of disclosure of information to auditors

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


- (a) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

PricewaterhouseCoopers LLP were re-appointed as the Company's auditors on 18 November 2021. A resolution to re-appoint PricewaterhouseCoopers LLP as the Company's auditors will be proposed at the next directors' meeting.

Approved by the board on 21 December 2022 and signed on its behalf by:



.....
P Worthington
Director

Daisy Corporate Services Trading Limited

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. 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 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

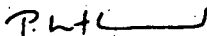
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Approved by the board on 21 December 2022 and signed on its behalf by:



.....
P Worthington
Director

Daisy Corporate Services Trading Limited

Independent auditors' report to the members of Daisy Corporate Services Trading Limited

Report on the audit of the financial statements

Opinion

In our opinion, Daisy Corporate Services Trading Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2022; the Income statement and the Statement of changes in equity 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 company 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 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 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.

Daisy Corporate Services Trading Limited

Independent auditors' report to the members of Daisy Corporate Services Trading Limited (continued)

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.

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 company and its 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 Statement of directors' responsibilities in respect of the financial statements, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Daisy Corporate Services Trading Limited

Independent auditors' report to the members of Daisy Corporate Services Trading Limited (continued)

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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, health and safety regulations, employment legislation and telecommunications industry specific legislation and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 inappropriate journal entries to increase revenue or Adjusted EBITDA and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- obtaining an understanding of the legal and regulatory framework applicable to the Company and how the Company is complying with that framework;
- discussions with management and general counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing minutes of meetings of those charged with governance, where available;
- reading any correspondence with regulatory authorities that has taken place in the period;
- reviewing internal audit reports;
- incorporating an element of unpredictability into our audit procedures;
- identifying and testing journal entries, including those with unusual account combinations relating to the principal fraud risks set out above; and
- challenging assumptions and judgements made by management in their significant accounting estimates.

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.

Daisy Corporate Services Trading Limited

Independent auditors' report to the members of Daisy Corporate Services Trading Limited (continued)

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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jonathan Studholme

Jonathan Studholme (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

Date: 22 December 2022

Daisy Corporate Services Trading Limited

Income statement for the year ended 31 March 2022

	Note	Year ended 31 March 2022 £ 000	Restated (see note 24) Year ended 31 March 2021 £ 000
Revenue	3	201,375	203,544
Cost of sales		<u>(95,462)</u>	<u>(95,128)</u>
Gross profit		105,913	108,416
Administrative expenses		(104,488)	(104,403)
Other operating income	4	<u>-</u>	<u>2,397</u>
Operating profit	5	<u>1,425</u>	<u>6,410</u>
Adjusted EBITDA*		37,438	39,873
Depreciation	12	(11,100)	(10,109)
Amortisation	11	(21,072)	(21,492)
Net exceptional administrative expenses	6	<u>(3,841)</u>	<u>(1,862)</u>
Operating profit	5	<u>1,425</u>	<u>6,410</u>
Finance costs	7	<u>(1,055)</u>	<u>(1,158)</u>
Profit before tax		370	5,252
Income tax credit/(charge)	10	<u>4,790</u>	<u>(64)</u>
Profit for the financial year		<u>5,160</u>	<u>5,188</u>

All results derive from continuing operations.

The Company has recognised no other comprehensive income and expenses, in the current or prior year, other than those shown above in the income statement and therefore no separate statement of comprehensive income has been prepared.

* - operating profit before depreciation, amortisation and net exceptional administrative expenses.

Daisy Corporate Services Trading Limited

Balance sheet as at 31 March 2022

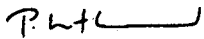
		31 March 2022 £ 000	Restated (see note 24) 31 March 2021 £ 000
Fixed assets			
Intangible assets	11	149,717	169,826
Property, plant and equipment	12	21,725	27,487
Investments	13	9,642	9,642
Deferred tax assets	14	5,744	4,535
		<u>186,828</u>	<u>211,490</u>
Current assets			
Inventories	15	15	89
Trade and other receivables	16	111,363	92,609
Income tax asset		79	-
Cash and cash equivalents		14,337	12,985
		<u>125,794</u>	<u>105,683</u>
Current liabilities			
Trade and other payables	17	(76,520)	(74,354)
Current tax liabilities		-	(1,768)
Borrowings	18	(3,627)	(4,278)
Provisions	19	(1,546)	(1,046)
		<u>(81,693)</u>	<u>(81,446)</u>
Net current assets		<u>44,101</u>	<u>24,237</u>
Non-current liabilities			
Borrowings	18	(10,977)	(14,354)
Provisions	19	(2,261)	(3,012)
Deferred tax liabilities	14	(5,374)	(8,705)
Other non-current liabilities	20	(1,206)	(3,705)
		<u>(19,818)</u>	<u>(29,776)</u>
Net assets		<u>211,111</u>	<u>205,951</u>
Capital and reserves			
Called up share capital	21	62	62
Share premium account		6,625	6,625
Capital redemption reserve		8	8
Retained earnings		204,416	199,256
Total shareholders' funds		<u>211,111</u>	<u>205,951</u>

The notes on pages 19 to 47 form an integral part of these financial statements.

Daisy Corporate Services Trading Limited

Balance sheet as at 31 March 2022 (continued)

The financial statements on pages 15 to 47 were approved by the board on 21 December 2022 and signed on its behalf by:



.....
P Worthington

Director

Company registration number: 02888250

Daisy Corporate Services Trading Limited

Statement of changes in equity for the year ended 31 March 2022

	Called up share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total £ 000
Balance at 1 April 2020	62	6,625	8	194,068	200,763
Profit for the year and total comprehensive expense (Restated - see note 24)	-	-	-	5,188	5,188
Balance at 31 March 2021 (Restated - see note 24)	62	6,625	8	199,256	205,951

	Called up share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total £ 000
Balance at 1 April 2021	62	6,625	8	199,256	205,951
Profit for the year and total comprehensive income	-	-	-	5,160	5,160
Balance at 31 March 2022	62	6,625	8	204,416	211,111

The notes on pages 19 to 47 form an integral part of these financial statements.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022

1 Accounting policies

Daisy Corporate Services Trading Limited is a private limited company, limited by shares, which is incorporated and domiciled in the UK and registered in England and Wales.

The address of its registered office is: Lindred House, 20 Lindred Road, Brierfield, Nelson, BB9 5SR, United Kingdom.

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006. On 31 December 2020, IFRS as adopted by the European Union at that date were brought into UK law and became UK-adopted international Accounting Standards with future changes being subject to endorsement by the UK endorsement Board. The Group transitioned to the UK-adopted International Accounting Standards in the Group financial statements on 1 April 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements are prepared in accordance with the historical cost convention and have been prepared on a going concern basis.

The functional currency of the Company is considered to be pounds sterling because that is the operational currency of the primary economic environment in which the Company operates.

The Company has taken advantage of the exemption (Companies Act 2006 s401) not to prepare group financial statements on the basis that the Company is included within the consolidated group financial statements of Daisy Holdco Limited which are publicly available.

The Company is a qualifying entity for the purposes of FRS 101. Note 23 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Basis of preparation (continued)

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The Company has notified its shareholders about the use of the disclosure exemptions used by the Company in these financial statements.

FRS 101 sets out amendments to UK adopted IFRS that are necessary to achieve compliance with the Act and related Regulations.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share based payment'
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 10(d), 16, 38, 111 and 134 to 136 of IAS 1, 'Presentation of financial statements' comparative information
- Paragraphs 110, 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement'
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'
- IAS 24, 'Related party disclosures'
- Paragraphs 52 and 58 of IFRS 16 'Leases'

In the current year, the Company has applied the following new standards and amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for companies with 31 March 2022 year ends: Amendments to IFRS 7 and IFRS 16 on interest rate benchmark reform - phase 2, amendments to IFRS 16, 'Leases' - Covid-19 related rent concessions extensions of the practical expedient.

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and (in some cases) have not yet been adopted by the EU:

- Amendments to IAS 1 - Presentation of financial statements' on classification of liabilities
- Narrow-scope amendments to IFRS 3, IAS 16, IAS 37
- Manual improvements on IFRS 1, IFRS 9 and IFRS 16
- Narrow-scope amendments to IAS 1, practice statement 2 and IAS 8
- Amendments to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Going concern

Daisy Group Limited and Daisy Midco Limited, both fellow group companies, have debt facilities in place which are secured through fixed and floating charges over the assets of the Company along with a number of other companies within the Daisy Holdco Limited Group (see note 22). After making adequate enquiries and receiving a confirmation letter from the directors of Daisy Holdco Limited, the directors have a reasonable expectation that the Daisy Holdco Limited Group has adequate resources to continue as a going concern for the foreseeable future.

In addition and with particular reference to the PIK facility drawn by the Daisy Holdco Limited Group through its subsidiary Daisy Midco Limited at the balance sheet date of £213.6 million (including accrued interest), which was used to fund the acquisition of the XLN Group, the directors of the Group have received a letter of support from the provider of this debt, which is also a significant shareholder in the Group, confirming that they will not call in this debt for a period of at least 12 months from the date of approval of these financial statements. Although this facility expired in June 2022 and is currently rolling on a monthly basis, the conversion of this debt into the Group's existing longer term PIK with an expiry date of 2027 has been agreed with the debt provider and is currently in the process of being formally documented.

The Company is cash generative, generating a profit and is in a net current asset and net asset position. The directors have reviewed both a base case growth model and reasonably possible downside case (with no growth from FY22) of the division's forecasts and projections, which include the forecast of the Company, for at least the next 12 months. Having reviewed these forecasts, the directors believe that the Company will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements, and therefore the going concern basis continues to be adopted in preparing the financial statements (see note 1).

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. The Company identifies the separate performance obligations associated with the goods and services provided, then allocates the transaction price accordingly using standalone selling prices for guidance on contracts with multiple performance obligations. Revenue is recognised on each performance obligation when control is deemed to have been transferred. Revenue is shown net of value added tax, returns, rebates and discounts.

To the extent that invoices are raised to a different pattern than the revenue recognition described below, appropriate adjustments are made through deferred and accrued income to account for revenue when the respective performance obligations have been met.

The Company has applied the following practical expedients under IFRS 15 in accounting for revenue:

- the promised amount of consideration has not been adjusted for the effects of a significant financing component where, at contract inception, it is expected that the period between when the promised good or service is transferred to a customer and when the customer pays for that good or service will be one year or less; and
- incremental costs of obtaining a contract are recognised as an expense when incurred if the amortisation period of that asset that would otherwise have been recognised is one year or less.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Revenue recognition (continued)

Revenue recognition for each of the Company's main areas of revenue is described below:

Arrangements with multiple deliverables

Where goods and/or services are sold in one bundled transaction, the Company allocates the total arrangement's consideration to the different individual elements based on their relative fair values. Management determines the fair values of individual components based on actual amounts charged by the Company on a stand-alone basis, or alternatively based on comparable pricing arrangements observable in the market.

Sale of services

Service income is recognised at fair value, evenly over the year to which the service relates. Usage charges are recognised in the period when the service is received by the customer.

The Company provides certain maintenance services. Fees charged to customers for the provision of maintenance and support services are recognised at fair value, on a straight-line basis over the period of the related agreement in line with when control is deemed to pass in relation to the Company's performance obligations.

Sale of goods, licences and installation

Revenue from the sale, and/or installation of hardware and associated licences is recognised at fair value in the income statement when the control has been transferred in relation to the identified performance obligations, usually on delivery or installation.

External costs associated with the installation are recorded as work-in-progress until the revenue has been recognised.

Revenue in respect of licences is only recognised where there are no on-going obligations. Where on-going obligations exist, revenue is deferred and recognised in line with the on-going obligations as appropriate.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. The Company obtained government grants relating to supporting the payroll of the Company's employees. The Company had to commit to spending the assistance on payroll expenses, and not reduce employee headcount below prescribed levels for a specified period of time. The Company does not have any unfulfilled obligations relating to this program. The grant income is presented separately in the income statement.

Finance costs

Interest payable on borrowings, the interest expense component of finance lease payments and interest income is recognised in the income statement using the effective interest rate method.

Foreign currencies

Transactions denominated in foreign currency are translated at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated at exchange rates prevailing at the year end date. Any gains or losses arising on exchange are reflected in the income statement.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Exceptional items

Exceptional items are those that, in management's judgement, should be disclosed separately in order to determine the underlying profitability of the business, in the absence of acquisition activity, integration activity and one-off items. Items that are material, either individually or in aggregate and non-operating or non-recurring in nature are presented as exceptional items in the income statement, within the relevant account heading. Items that may give rise to classification as exceptional items include, but are not limited to, significant restructuring and rationalisation programmes, asset impairments, one-off provision releases, negative goodwill, acquisition-related costs and re-measurement of contingent consideration.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation, down to residual value, is calculated on a straight-line basis over the estimated useful lives of the asset as follows:

Buildings	over the lease term
Leasehold improvements	over the lease term
Plant and equipment	20% - 33% per annum

The useful economic lives and residual values attributable to each class of asset are reviewed and adjusted if appropriate at each balance sheet date.

The carrying values of property, plant and equipment are reviewed for impairment at each balance sheet date and when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount the assets or cash-generating units are written down to their recoverable amount.

An item of property, plant and equipment is removed upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Leases (continued)

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for changes in estimates of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'borrowings' in the balance sheet.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Intangible assets

Goodwill

Purchased goodwill arising on the acquisition of the trade and assets of a business is capitalised. Goodwill is determined from the excess of the fair value of the consideration given over the fair value of the separable net assets acquired. In addition, costs directly attributable to the acquisition have been included in goodwill.

At each balance sheet date goodwill is reviewed for impairment using a discounted cash flow method applied to business forecasts. If this review demonstrates that impairment has occurred, this is expensed to the income statement immediately and is not subsequently reversed.

Purchased customer contracts

Purchased customer contracts are capitalised at cost and amortised on a straight line basis over their estimated useful economic life, from the date of acquisition, as considered reasonable by the directors.

Software and software licences

Software and software licences includes acquired computer software and software development costs incurred which meet the criteria for capitalisation under IFRS. These assets are stated at cost less accumulated amortisation and any impairment in value. Amortisation is calculated on straight-line basis over the estimated useful life of the asset.

Amortisation

Amortisation is charged to the income statement on a straight line basis over the estimated useful lives of intangible assets. Goodwill is tested systematically for impairment at each annual balance sheet date. Other intangible assets are amortised from the date that they are available for use. The estimated useful lives are as follows:

Purchased customer contracts	3-5 years
Computer software	3-5 years

Investments

All investments are initially recognised at cost, being fair value of the consideration given and including acquisition charges associated with the investment. Investments are tested for impairment at each reporting date or if events indicate that the carrying value has been diminished.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Financial instruments

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

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

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

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

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

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

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

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Taxation

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

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

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Pensions

The Company operates a defined contribution scheme and participates in a defined benefit scheme, the ICM Computer Group Pension and Assurance Scheme ('ICM scheme') for certain of its employees. The ICM scheme has been closed to future service accrual. Contributions to this scheme are set as a whole rather than reflecting the actuarial characteristics of the employees of the individual participating employers and as such the Company cannot identify its share of the underlying assets and liabilities. This defined benefit pension scheme is therefore treated as a defined contribution scheme in these financial statements and only the contributions payable in the accounting period are recognised. Contributions are recognised as an expense in the income statement as they become payable.

Holiday pay

In accordance with IAS 19, the Company provides for accrued holiday benefit. The cost is measured as the additional amount that the Company expects to pay as a result of the unused holiday entitlement that has accumulated at the balance sheet date.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Impairment of non-financial assets

Assets that have an indefinite useful life such as goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 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 (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

In the case of leased properties, parts of which have been vacated and are not currently in use, an onerous lease provision is created for that part of the lease cost relating to the vacant property through to the end of the lease term.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

2 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management continually evaluates the estimates, assumptions and judgements based on available information and experience. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical judgements in applying the Company's accounting policies

Exceptional items

The Company applies judgement in assessing the substance of transactions to identify those that are material individually or in aggregate and non-operating or non-recurring in nature and these are presented as exceptional items in the income statement, within the relevant account heading. Items that may give rise to classification as exceptional items include, but are not limited to, significant restructuring and rationalisation programmes, asset impairments, negative goodwill, transaction fees and re-measurement of contingent consideration. The directors are of the opinion that the separate recording of exceptional items provides helpful information about the Company's underlying business performance.

Treatment of defined benefit pension scheme as defined contribution scheme

The ICM Computer Group Pension and Assurance Scheme ('ICM scheme') is available for certain employees. Contributions to this scheme are set as a whole rather than reflecting the actuarial characteristics of the employees of the individual participating employers and as such the Company cannot identify its share of the underlying assets and liabilities. This defined benefit pension scheme is therefore treated as a defined contribution scheme in these financial statements and only the contributions payable in the accounting period are recognised. Contributions are recognised as an expense in the income statement as they become payable.

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the financial year are discussed below:

Revenue recognition

Revenue recognition and presentation of arrangements with multiple deliverables

In revenue arrangements including more than one deliverable, the deliverables are assigned to one or more separate components of revenue and the arrangement consideration is allocated to each component based on its relative fair value.

Determining the fair value of each performance obligation can require complex estimates due to the nature of the goods and services provided. The Group generally determines the fair value of individual elements based on prices at which the deliverable is regularly sold on a standalone basis or based on comparable pricing arrangements observable in the market.

Valuation of acquired intangible assets

Acquisitions may result in customer relationships, supplier relationships, licences and computer software being recognised. These are valued using discounted cash flow methods which require the application of certain key judgements and estimates are required to be made in respect of discount rates, customer churn and future cash flows.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Valuation of lease liability

The valuation of the Company's lease liabilities under IFRS 16 involves the discounting of future lease payments using the relevant incremental borrowing rates of the wider Group. Changes in the discount rate used can have a significant impact on the valuation of the Company's lease liability.

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted. Recognition, therefore, involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Historical differences between forecast and actual taxable profits have not resulted in material adjustments to the recognition of deferred tax assets.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment as at the transition date and thereafter for all non-financial assets at each reporting date. If any indications of impairment exist the recoverable amount is estimated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3 Revenue

The Company's activity consists of business communications focused on services provision and it generates the majority of its revenue from external customers in the United Kingdom.

The geographical analysis below is based on the country in which the external customer is invoiced:

	Year ended 31 March 2022 £ 000	Year ended 31 March 2021 £ 000
UK	200,510	202,713
Europe	768	691
Americas	97	140
	<u>201,375</u>	<u>203,544</u>

4 Other operating income

	Year ended 31 March 2022 £ 000	Year ended 31 March 2021 £ 000
Coronavirus Job Retention Scheme ("CJRS") income	<u>-</u>	<u>2,397</u>

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

5 Operating profit

Operating profit is stated after charging:

		Year ended 31 March 2022 £ 000	Restated Year ended 31 March 2021 £ 000
Depreciation expense	12	11,100	10,109
Amortisation expense	11	21,072	21,492
Fees for the audit of the Company's financial statements		440	289
Cost of inventories recognised as expenses		74	285
		<u>74</u>	<u>285</u>

There were no non-audit fees paid during the year (2021: £nil).

6 Net exceptional administrative expenses

		Year ended 31 March 2022 £ 000	Year ended 31 March 2021 £ 000
Employee related reorganisation and restructuring costs		492	1,444
Other restructuring costs		763	314
Loss on disposal of property, plant and equipment		-	5
Historic settlement costs		1,866	-
Onerous lease provision		720	99
		<u>3,841</u>	<u>1,862</u>

Employee-related restructuring costs principally relate to redundancy costs.

Other restructuring costs principally relate to integration associated costs.

The loss on disposal of property, plant and equipment in the prior year related to leasehold improvements made on a leased property that was exited in the prior year.

Historic settlement costs accrued relate to the estimated settlement value of claims relating to previous periods.

Following various acquisitions there are a number of properties with space no longer utilised, therefore an onerous lease provision was created and then amended in the prior years for the costs associated with these areas through to the end of their respective lease terms.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

7 Net finance costs

	Year ended 31 March 2022 £ 000	Restated Year ended 31 March 2021 £ 000
Finance costs		
Interest on obligations under leases	446	519
Interest expense on other financing liabilities	609	639
	<u>1,055</u>	<u>1,158</u>

8 Employees' costs

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	Year ended 31 March 2022 No.	Year ended 31 March 2021 No.
Administration and support	97	99
Sales, marketing and distribution	897	906
	<u>994</u>	<u>1,005</u>

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 March 2022 £ 000	Year ended 31 March 2021 £ 000
Wages and salaries	44,900	43,767
Social security costs	5,255	5,046
Other pension costs	1,656	2,061
	<u>51,811</u>	<u>50,874</u>
Staff costs capitalised	(2,489)	(1,873)
	<u>49,322</u>	<u>49,001</u>

During the year, £2.5 million (2021: £1.9 million) of internal time spent on developing internal systems was capitalised as software development in intangible assets.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 March 2022 £ 000	Year ended 31 March 2021 £ 000
Wages and salaries	822	524
Contributions paid to money purchase schemes	94	54
	<u>916</u>	<u>578</u>

Emoluments of the highest paid director were £366,000 (2021: £241,000) which includes a contribution of £36,000 (2021: £22,000) to a defined contribution pension scheme.

Contributions paid to money purchase schemes are accruing for four directors (2021: three) under a defined contribution pension scheme.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

10 Income tax charge/(credit)

Tax (credited)/charged in the income statement:

	Year ended 31 March 2022 £ 000	Year ended 31 March 2021 £ 000
Current taxation		
UK corporation tax	264	1,823
Adjustments in respect of prior periods	(514)	-
	<u>(250)</u>	<u>1,823</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(2,877)	(1,293)
Adjustments in respect of prior periods	(781)	(466)
Effect of tax rate change on opening balance	(882)	-
Total deferred taxation	<u>(4,540)</u>	<u>(1,759)</u>
Tax (credit)/charge in the income statement	<u>(4,790)</u>	<u>64</u>

The tax for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	Year ended 31 March 2022 £ 000	Restated Year ended 31 March 2021 £ 000
Profit before tax	<u>370</u>	<u>5,252</u>
Total tax at 19% (2021: 19%)	70	998
Net expenses not deductible for tax purposes	401	3,754
Movement on deferred tax not recognised	(262)	(4,274)
Group relief claimed	(2,704)	-
Difference between standard rate of corporation tax and rate applied to unprovided deferred tax	(118)	-
Deferred tax expense relating to changes in tax rates or laws	(882)	-
Adjustments in respect of prior periods	<u>(1,295)</u>	<u>(466)</u>
Total tax (credit)/charge for the year	<u>(4,790)</u>	<u>12</u>

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

10 Income tax charge/(credit) (continued)

The Government announced in the Budget on 3 March 2021 that the UK rate of corporation tax would rise to 25% from 1 April 2023. As the increase had been substantively enacted at the balance sheet date, the deferred tax asset in these financial statements has been recognised at 19% where the balance is expected to unwind in the next financial year with the remaining balances recognised at 25%.

11 Intangible assets

	Purchased customer contracts £ 000	Computer software £ 000	Goodwill £ 000	Total £ 000
Cost				
At 1 April 2021	98,813	16,738	120,332	235,883
Additions	-	2,714	-	2,714
Reclassifications*	-	(1,751)	-	(1,751)
At 31 March 2022	98,813	17,701	120,332	236,846
Accumulated amortisation				
At 1 April 2021	52,997	13,060	-	66,057
Charge for the year	19,611	1,461	-	21,072
At 31 March 2022	72,608	14,521	-	87,129
Net book value				
At 31 March 2022	26,205	3,180	120,332	149,717
At 31 March 2021	45,816	3,678	120,332	169,826

* During the year there was a reclassification of £1.8 million between Intangible assets and Property, plant and equipment to better reflect the nature of the assets held.

The carrying value of the Company's goodwill is not subject to annual amortisation but was tested for impairment at 31 March 2022. The recoverable amount has been determined on a value-in-use basis using the board-approved 5 year plan. The assumed growth rate into perpetuity is 2.0% (2021: 2.0%). These cash flows are then adjusted to reflect a market participant's view using a pre-tax discount rate of 8.9% (2021: 9.3%).

Based on the results of the current year impairment review, no impairment has been recognised by the Company in the year ended 31 March 2022. Management has considered various sensitivity analyses in order to appropriately evaluate the carrying value of goodwill. Having assessed the anticipated future cash flows the directors do not consider there to be any reasonably possible changes in assumptions that would lead to such an impairment charge in the year ended 31 March 2022.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

12 Property, plant and equipment

	Land and buildings £ 000	Leasehold improvements £'000	Plant and equipment £ 000	Total £ 000
Cost				
At 1 April 2021 (Restated)	31,935	1,236	27,668	60,839
Additions	939	142	1,923	3,004
Transfer from group undertakings*	-	-	583	583
Reclassifications*	-	43	1,708	1,751
At 31 March 2022	32,874	1,421	31,882	66,177
Accumulated depreciation and impairment				
At 1 April 2021 (Restated)	16,333	705	16,314	33,352
Charge for the year	4,054	477	6,569	11,100
At 31 March 2022	20,387	1,182	22,883	44,452
Carrying amount				
At 31 March 2022	12,487	239	8,999	21,725
At 31 March 2021 (Restated)	15,602	531	11,354	27,487

* During the year there was a reclassification of £1.8 million between Intangible assets and Property, plant and equipment to better reflect the nature of the assets held. There was also a £0.6 million intercompany transfer of assets at net book value from Daisy Communications Ltd during the year.

All balances included within land and buildings and £2.0 million in plant and equipment of the current year net book value relate to right-of-use assets, for which the Company is the lessee, accounted for in line with the requirements of IFRS 16. Additions to the right-of-use assets during the year were £0.9 million (2021: £8.2 million).

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

13 Investments

	Shares in subsidiary undertakings £ 000
Cost or valuation	
At 1 April 2021 and 31 March 2022	155,917
Accumulated impairment	
At 1 April 2021 and 31 March 2021	146,275
Carrying amount	
At 31 March 2022	<u>9,642</u>
At 31 March 2021	<u>9,642</u>

At 31 March 2022 the Company's direct investment in subsidiary undertaking was as follows:

Subsidiary undertaking	Country of incorporation	Class of holdings	Principal activity	Holding company %
Daisy Computer Group Limited	England and Wales	Ordinary	Investment holding company	100%

The registered address for the Company's subsidiary is Lindred House, 20 Lindred Road, Brierfield, Nelson, BB9 5SR.

The directors believe that the carrying value of the investment is supported by the underlying net assets of the business.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

14 Deferred taxation

The breakdown of deferred tax assets and liabilities is as follows:

2022	Asset	Liability	Net deferred tax
	£000	£000	£000
Accelerated tax depreciation	5,320	-	5,320
Other items	424	-	424
Revaluation of intangible assets	-	(5,374)	(5,374)
	<u>5,744</u>	<u>(5,374)</u>	<u>370</u>
2021	Asset	Liability	Net deferred tax
	£000	£000	£000
Accelerated tax depreciation	4,099	-	4,099
Other items	289	-	289
Tax losses	147	-	147
Revaluation of intangible assets	-	(8,705)	(8,705)
	<u>4,535</u>	<u>(8,705)</u>	<u>(4,170)</u>

Deferred tax movement during the year:

	At 1 April 2021	Recognised in income statement	At 31 March 2022
	£'000	£'000	£'000
Accelerated tax depreciation	4,099	1,221	5,320
Losses	147	(147)	-
Other items	289	135	424
Revaluation of intangible assets	(8,705)	3,331	(5,374)
Net deferred tax liabilities	<u>(4,170)</u>	<u>4,540</u>	<u>370</u>

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

14 Deferred taxation (continued)

Deferred tax movement in the prior year:

	At 1 April 2020	Recognised in income statement	At 31 March 2021
	£'000	£'000	£'000
Accelerated tax depreciation	4,679	(580)	4,099
Losses	1,522	(1,375)	147
Other items	301	(12)	289
Revaluation of intangible assets	(12,431)	3,726	(8,705)
Net deferred tax liabilities	<u>(5,929)</u>	<u>1,759</u>	<u>(4,170)</u>

A deferred tax asset has been recognised where, in the opinion of the directors, the Company is expected to make sufficient profits against which these tax assets can be offset in the future. There is an unrecognised deferred tax asset at 31 March 2022 of £0.1 million (2021: £0.3 million).

The net reversal of deferred tax assets expected to occur in the year beginning 1 April 2022 is £1.0 million. This is due to the fact that depreciation is expected to exceed capital allowances in that period. There is no expiry date on timing differences or unused losses.

15 Inventories

	31 March 2022	31 March 2021
	£ 000	£ 000
Inventory held for resale	<u>15</u>	<u>89</u>

The cost of inventories recognised as an expense during the year and included in cost of sales amounted to £74,000 (2021: £285,000). There is no material difference between the balance sheet value of stock and the replacement cost.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

16 Trade and other receivables

	31 March 2022 £ 000	Restated 31 March 2021 £ 000
Trade receivables	19,697	21,302
Amounts owed by group undertakings	69,331	49,601
Prepayments	14,316	12,646
Contract costs	1,782	2,725
Accrued income	6,217	6,276
Other receivables	20	59
	<u>111,363</u>	<u>92,609</u>

The directors consider that the carrying amount of trade and other receivables approximates to their fair value. All trade and other receivables are denominated in sterling.

Amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

17 Trade and other payables

	31 March 2022 £ 000	31 March 2021 £ 000
Trade payables	13,524	11,775
Amounts owed to group undertakings	2,334	1,032
Social security and other taxes	1,214	3,829
Other payables	652	1,059
Accruals	28,517	22,773
Deferred income	30,279	33,886
	<u>76,520</u>	<u>74,354</u>

Amounts owed to group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

18 Borrowings

	31 March 2022 £ 000	Restated 31 March 2021 £ 000
Current		
Lease liabilities	<u>3,627</u>	<u>4,278</u>
Non-current		
Lease liabilities	<u>10,977</u>	<u>14,354</u>

The future minimum lease payments are as follows:

	31 March 2022 £000	31 March 2021 £000
Not later than one year	4,394	5,298
Later than one year and not later than 5 years	10,080	12,610
Later than 5 years	2,549	4,138
Total gross payments	<u>17,023</u>	<u>22,046</u>
Impact of finance charges	(2,419)	(3,414)
Carrying value of liability	<u>14,604</u>	<u>18,632</u>

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

19 Provisions

	Dilapidations provision £ 000	Onerous lease provision £ 000	Total £ 000
At 1 April 2021	1,830	2,228	4,058
Provision creation	44	720	764
Utilised during the year	<u>(476)</u>	<u>(539)</u>	<u>(1,015)</u>
At 31 March 2022	<u>1,398</u>	<u>2,409</u>	<u>3,807</u>
		31 March 2022 £ 000	31 March 2021 £ 000
Current		1,546	1,046
Non-current		<u>2,261</u>	<u>3,012</u>
		<u>3,807</u>	<u>4,058</u>

The dilapidation provision relates to the obligation to reinstate certain properties to their former condition at the end of their leases which run up to June 2030.

The onerous lease provision relates to vacant space in leased properties, whose lease terms run up to February 2028.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

20 Other non-current liabilities

	31 March 2022 £ 000	31 March 2021 £ 000
Amounts owed to group undertakings	1,206	3,705
	<u>1,206</u>	<u>3,705</u>

Amounts owed to group undertakings are unsecured, interest-free and repayable on notice of at least a year and a day.

21 Called up share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£ 000	No.	£ 000
Ordinary shares of £0.00125 each	<u>49,770,600</u>	<u>62</u>	<u>49,770,600</u>	<u>62</u>

The share premium contains the premium arising on the issue of shares.

The retained earnings represent cumulative profits and losses, net of dividends paid, and other adjustments.

22 Contingent liabilities

Daisy Group Limited, a fellow group company, has debt facilities in place which are secured through fixed and floating charges over the assets of the Company and its subsidiary undertakings. The total indebtedness against these senior and revolving facilities at 31 March 2022 was £424.0 million (2021: £416.0 million).

Another fellow group company, Daisy Midco Limited, has a payment in kind facility in place which is also secured through fixed and floating charges over the assets of the Group. The total indebtedness of this facility at 31 March 2022 was £434.3 million (2021: £195.3 million) including capitalised interest of £73.4 million (2021: £49.3 million).

The directors do not expect any material loss to arise in respect of the group security arrangements in place.

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

23 Parent and ultimate parent undertaking

The ultimate parent undertaking and controlling party is Daisy Holdco Limited, which is the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements can be obtained from the Companies House website.

The immediate parent company is Daisy Corporate Services Holdings Limited, a company registered in England and Wales.

The Company's direct subsidiaries have been detailed in note 13.

The registered address for all of the above companies is Lindred House, 20 Lindred Road, Brierfield, Nelson, BB9 5SR.

24 Restatement of comparative information

A restatement of the prior period income statement and balance sheet has been made in these financial statements to recognise a right-of-use asset and lease liability, together with the corresponding depreciation charge and finance costs, in relation to a property lease that was novated from a fellow group undertaking on 1 April 2020 and had not previously been recognised in error. The net impact of this adjustment is a decrease in profit before tax and net assets of £1.3 million.

	As reported		Restated
	Year ended 31	Adjustment	Year ended 31
	March 2021		March 2021
	£ 000	£ 000	£ 000
Gross profit	108,416	-	108,416
Administrative expenses	(103,520)	(883)	(104,403)
Operating profit	7,293	(883)	6,410
Finance costs	(733)	(425)	(1,158)
Profit before tax	6,560	(1,308)	5,252

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

24 Restatement of comparative information (continued)

	As reported		Restated
	Year ended 31 March 2021	Adjustment	Year ended 31 March 2021
	£ 000	£ 000	£ 000
Intangible assets	169,826	-	169,826
Property, plant and equipment	21,385	6,102	27,487
Investments	9,642	-	9,642
Deferred tax assets	4,535	-	4,535
Non current assets	205,388	6,102	211,490
Inventories	89	-	89
Trade and other receivables	93,611	(1,002)	92,609
Income tax asset	-	-	-
Cash and cash equivalents	12,985	-	12,985
Current assets	106,685	(1,002)	105,683
Trade and other payables	(74,354)	-	(74,354)
Current tax liabilities	(1,768)	-	(1,768)
Borrowings	(3,624)	(654)	(4,278)
Provisions	(1,046)	-	(1,046)
Current liabilities	(80,792)	(654)	(81,446)
Net current assets	25,893	(1,656)	24,237
Borrowings	(8,600)	(5,754)	(14,354)
Provisions	(3,012)	-	(3,012)
Deferred tax liabilities	(8,705)	-	(8,705)
Other non-current liabilities	(3,705)	-	(3,705)
Non current liabilities	(24,022)	(5,754)	(29,776)
Net assets	207,259	(1,308)	205,951
Called up share capital	62	-	62
Share premium account	6,625	-	6,625
Capital redemption reserve	8	-	8
Retained earnings	200,564	(1,308)	199,256
Total shareholders' funds	207,259	(1,308)	205,951

Daisy Corporate Services Trading Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

25 Post Balance Sheet events

Subsequent to the year end on 22 September 2022, a deal was signed with Asanti DataCentres Limited ('Asanti') for the sale and novation of certain freehold and leasehold data centre sites in the Company and certain of its subsidiary undertakings. This deal included the novation of three of the Company's leasehold sites, removing lease liabilities of approximately £3.4 million (and associated right-of-use assets of similar value) from the Company's balance sheet, which will be reflected in the Company's financial statements for the year ending 31 March 2023.