

**Company Registration No. 03457111**

**CRISTIE DATA LIMITED**

**Annual Report and Financial Statements**

**31 March 2020**

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# **CRISTIE DATA LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2020**

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**CRISTIE DATA LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2020**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

A MacSween  
S Cunningham

**SECRETARY**

A McDonald

**REGISTERED OFFICE**

3<sup>rd</sup> Floor  
11-21 Paul Street  
London  
EC2A 4JU

**BANKERS**

Bank of Scotland Plc  
110 St Vincent Street  
Glasgow  
G2 5ER

**INDEPENDENT AUDITORS**

Deloitte LLP  
Level 5, 110 Queen Street  
Glasgow  
G1 3BX

**SOLICITORS**

Pinsent Masons LLP  
141 Bothwell Street  
Glasgow  
G2 7EQ

# CRISTIE DATA LIMITED

## STRATEGIC REPORT Year ended 31 March 2020

The directors present their annual report, comprising the Strategic Report and Directors' Report, and the audited financial statements for the year ended 31 March 2020.

### REVIEW OF THE BUSINESS

Cristie Data has delivered strong revenue growth with revenue of £11,644,579 (2019: £7,527,905), an increase of 55% (2019: 9%) largely driven by a combination of the benefit of increased focus on recurring revenue over the last 24 months and revenue from new customer projects. This is reflected in the increased profitability in the year with profit before tax increasing to £636,601 (2019: £279,572), with a profit margin of 5% (2019: 4%).

### COVID-19

In the months since the response to the Covid-19 pandemic was initiated in the UK, there has been limited impact on the Company's trading. We take great comfort from the resilience of our business model, especially the diversity and limited concentration of our customer base. We are not significantly exposed to industries that are suffering the worst effects. The level of customer churn across all segments of the business has been low, renewal levels high and cash collection in line with our typical profile. However, we remain vigilant to the economic impact the ongoing situation may create, particularly on the SME segment of the market.

Our priority has been the wellbeing and health of our staff and our teams have responded fantastically to the changes placed upon them. The Company has always had the technological capability to enable home working and implemented this mode of operation with no disruption from 9 March. As a result, our business has continued to operate 24/7 as near to normal as possible. Our teams have responded positively to the changes asked of them in what have been challenging times for all.

We have increased the monitoring of cash flow, and cash management has been strong. We have not applied for any support from the government's furlough scheme, preferring instead to continue to pay the salaries of the small number of the team whose roles are not currently required, while encouraging them to offer their time to the support of their communities.

### KEY PERFORMANCE INDICATOR REVIEW

	2020	2019
Revenue	£11,644,579	£7,527,905
Revenue % growth	55%	9%
Adjusted EBITDA	£1,020,754	£478,534
Adjusted EBITDA % margin	9%	6%
Profit before tax	£636,601	£279,572
Profit before tax % margin	5%	4%

Revenue has grown by 55% in the year as we continue to focus on our recurring customer base and customer project opportunities. As a result of revenue growth, profit before tax has increased by 56% to £636,601 (2019: £279,572) and adjusted EBITDA (earnings before interest, taxation, depreciation and amortisation before share based payments and central group overheads) has increased to £1,020,754 (2019: £478,534).

### PRINCIPAL RISKS AND UNCERTAINTIES

The Board of directors of iomart Group plc, the parent company, who are responsible for the Company's system of risk management and internal controls, have established systems to ensure that an appropriate level of oversight and control is provided to manage principal risks and uncertainties identified that could have a material impact on the Company's performance. The Company's systems of risk management and internal controls, which are reviewed for effectiveness by the Audit Committee and the Board, are designed to help the Company meet its business objectives by appropriately managing, rather than eliminating, the risks relating to those objectives.

# CRISTIE DATA LIMITED

## STRATEGIC REPORT Year ended 31 March 2020

### PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

In the prior year, the Company, supported by external advisors, updated its risk management framework and risk assessment to identify and address all relevant risks in order to execute and deliver the Company's strategy. Executive Directors and senior management meet to review both the risks facing the business and the controls established to minimise those risks and their effectiveness in operation on an on-going basis. The aim of these reviews is to provide reasonable assurance that material risks and problems are identified and appropriate action taken at an early stage. There are a number of potential risks and uncertainties which have been identified as material as a result of this process.

As we finish the year, the impact of Covid-19 on our business required us to reassess the impact of the global pandemic on our business risk and internal control environment. We take great comfort from the resilience of our business model, especially the diversity and limited concentration of our customer base. We are not significantly exposed to industries that are suffering the worst effects. We have the tools and technology which have allowed us to implement remote working across our sites from early March 2020 and to continue to operate effectively and meet customers' requirements. Taking all of this into account, while we remain very vigilant on the potential further impact of Covid-19, we believe our previous risk assessment still remains valid and our new modes of operation have not diluted the strength of our control environment.

#### **Staff**

As with any service organisation Cristie Data is dependent on the skill, experience and commitment of its employees and especially a relatively small number of senior staff. The performance of the company could be adversely affected if the required staffing levels are not maintained or senior staff are not retained. The company seeks to recruit and retain suitably skilled and experienced staff by offering a challenging and rewarding work environment. This includes competitive and innovative reward packages and a strong commitment to training and development.

#### **Datacentre operation**

Any downtime experienced at our datacentres would immediately have an impact on our ability to provide customers with the level of service they demand. Should the company be unable to provide the required level of service this could have an adverse effect on the company's performance through the loss of customers and reputation. Our ongoing investment in preventative maintenance and lifecycle replacement programme ensures our datacentres continue to operate at their optimum parameters. We also continually look at new innovations and technology within the sector, that can help to deliver operational efficiency and effectiveness in line with our ISO50001 energy management system, and our obligations within the CRC Energy Efficiency Scheme.

#### **Network**

The company provides an essential service to an extensive client base many of whom rely on the provision of that service for their major internet presence. The service we provide to customers is dependent on the continued operation of our diverse fibre network which connects our datacentre estate. Should the network fail there would be an adverse impact on customers and any diminution in the level of service could have serious consequences for customer acquisition and retention. The company has implemented a resilient network throughout its datacentre estate with no single points of failure to ensure the likelihood of network failure is minimised. In addition, our high level of recurring revenue and our low level of customer attrition are evidence of our ability to provide the level of service required.

# CRISTIE DATA LIMITED

## STRATEGIC REPORT Year ended 31 March 2020

### PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

#### **Data and Cyber Security**

There has been a sharp rise in recent years in cyber and data related crime. The security of the customer, commercial and personal data presents both a reputational and financial risk to the company. Whilst it is a challenge to completely eliminate all data and cyber security risks the company continues to make substantial investment in physical and data security systems and promote a culture within the organisation which embeds security across all of our operations. Cristie Data continues to develop our security portfolio to equip our customers to counter the types of security threats our clients face as well as working on internal process improvement, security awareness and training to ensure we provide solutions which customers can rely on. The company also carries specific insurance in relation to cyber related crime. Our contracts and associated schedules with customers make it clear on where responsibilities lie in relation to the roles and responsibilities of each party for the Security of Data and Data Protection in general.

#### **Competition**

Cristie operates in a competitive and fluid marketplace and while the Directors believe the company enjoys significant strengths and advantages in competing for business, some of the competitors are significantly larger and so that could allow them to offer similar services for lower prices than the company would be prepared to match, or launch new product offerings with significantly enhanced features. Consequently, these competitors could materially adversely impact the scale of the company's revenues and its profitability. In response to this, we maintain a broad customer base. We also mitigate the risk by establishing strong relationships with our customers, developing tailor-made and value-creating solutions and delivering excellent service performance while being cost competitive in our day to day business. Our development team are continually working towards both enhancing, and augmenting, the services we currently offer. Our Product Board meets regularly to keep abreast of the new technology which could enhance the company's service portfolio.

#### **Key suppliers**

The company is dependent on certain key suppliers for the continued operation of its business, the most significant of which are those for electricity, bandwidth and servers. Were any of these key suppliers to fail in their service provision to the company this could have an adverse effect on the company's ability to provide services to its customers. In all cases these supplies are obtained from reputable organisations chosen after a thorough selection process. After selection, the company actively seeks to maintain good relationships with the chosen suppliers. The company also seeks to maintain several sources of supply.

Approved by the Board of Directors  
and signed by order of the Board



**A McDonald**  
Company Secretary  
30 September 2020

# **CRISTIE DATA LIMITED**

## **DIRECTORS' REPORT** **Year ended 31 March 2020**

### **PRINCIPAL ACTIVITY**

The principal activity of the company is that of a data storage, backup and virtualisation solutions provider.

### **RESULTS AND DIVIDENDS**

The results for the year are set out on page 12. The profit before taxation was £636,601 (2019: £279,572).

The directors do not recommend the payment of dividend for the year ended 31 March 2020 (2019: £nil).

### **DIRECTORS AND THEIR INTERESTS**

The following directors have held office throughout the year and to the date of this report:

A MacSween  
S Cunningham

The interests of the directors in the shares of the parent undertaking, iomart Group plc, are disclosed in that company's financial statements.

The Company may under the Company's Articles of Association and subject to the provisions of the Companies Act, indemnify all directors or other officers against liability incurred by them in the execution or discharge of their duties or exercise of their powers, including but not limited to any liability for the costs of legal proceedings where judgement is given in their favour. This indemnity was in place during the financial year and is ongoing up to the date of this report. In addition, the Company has purchased and maintains appropriate insurance cover against legal action brought against directors and officers.

### **FUTURE DEVELOPMENTS**

At the date of writing, Covid-19 continues to impact people and economies around the world. The focus of the business in the immediate is to ensure all employees are safe and supported, whilst ensuring the business continues to operating to the highest standards and enhancing the long term prospect of the business.

While visibility of sales pipeline conversion remains less clear, we believe the medium-term impact of the social distancing measures implemented across the world will prompt the acceleration in the adoption of digital transformation and remote working, both of which are long-term drivers to the cloud. Our high levels of recurring revenues, breadth of customer base and profit margins, mean we are confident the company well positioned to withstand the current challenges and deliver long-term growth.

### **DONATIONS**

No political donations have been made during the year ended 31 March 2020 (2019: £nil).

### **RESEARCH AND DEVELOPMENT**

Research and development activities are undertaken by other subsidiaries within the iomart Group, in order to improve and develop new and existing products. There was no expenditure incurred by the Company during the period (2019: £nil).

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's financial instruments comprise cash and liquid resources and leases together with various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Company's operations. The Company does not enter into derivative financial instruments.

# **CRISTIE DATA LIMITED**

## **DIRECTORS' REPORT**

**Year ended 31 March 2020**

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

#### **Liquidity risk**

The Company seeks to manage financial risk to ensure sufficient liquidity is available for ongoing operations and to meet foreseeable needs and to invest cash safely and profitably.

#### **Interest rate risk and currency risk**

The Company is not exposed to movements in interest rates. The level of non-monetary and monetary assets and liabilities denominated in foreign currencies in the Company are minimal, therefore, the company is not exposed to currency movements.

#### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company provides standard credit terms (normally 30 days) to some of its customers which has resulted in trade debtors of £1,313,061 (2019: £1,854,793) which are stated net of applicable provisions and which represent the total amount exposed to credit risk (note 9). The Company manages trade receivable balances vigilantly and takes prompt action on overdue accounts. The Company's cash at bank is held within clearing banks in the UK. In respect of trade debtors and cash at bank the directors consider the risk of exposure to credit is minimal due to the reasons given above.

### **EMPLOYEES**

Information on our engagement with employees and our regard to this stakeholder on the principal decisions taken by the Company during the financial year is included in the Stakeholder Engagement Report included within the iomart Group plc financial statements on pages 21 to 24.

Additionally, the Company regularly communicates with all staff providing information on developments within the Company including updates on the Company's strategy and details of new products and services provided by the Company.

Staff are eligible to receive share options in the Company under the iomart Group plc's share incentive schemes and it is the Board's policy to make specific awards as appropriate to attract and retain the best available people.

The Company gives full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities and where the requirements of the job can be adequately fulfilled by a disabled person. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

The Company encourage employees to support the community and a number of charitable organisations through staff-led initiatives. iomart encourage employees to donate to charity through a payroll Give as You Earn Scheme.

### **SUPPLIERS AND CUSTOMERS**

Information on our engagement with suppliers and customers and our regard to these stakeholders on the principal decisions taken by the Company during the financial year is included in the Stakeholder Engagement Report included within the iomart Group plc financial statements on pages 21 to 24. —

# **CRISTIE DATA LIMITED**

## **DIRECTORS' REPORT** **Year ended 31 March 2020**

### **GOING CONCERN**

In the months since the response to the Covid-19 pandemic was initiated in the UK, there has been a very limited impact on the Company's trading from Covid-19. We take great comfort from the resilience of our business model, especially the diversity and limited concentration of our customer base. We are not significantly exposed to industries that are suffering the worst effects. The level of customer churn across all segments of the business has been extremely low, renewal levels high and cash collection in line with our typical profile. However, we remain vigilant to the economic impact the ongoing situation may create, particularly on the SME segment of the market.

The Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks.

The directors have considered the Company budgets and the cash flow forecasts for the next three financial years, and associated risks, including the potential impact of Covid-19. After making enquiries, the directors have a reasonable expectation that the Company will be able to meet its financial obligations as they fall due and has adequate resources to continue in operational existence for the foreseeable future (being at least 12 months from the date of this report). For this reason they continue to adopt the going concern basis in preparing the financial statements.

### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

# **CRISTIE DATA LIMITED**

## **DIRECTORS' REPORT Year ended 31 March 2020**

### **INDEPENDENT AUDITOR AND DISCLOSURE OF INFORMATION TO AUDITOR**

The directors confirm that each of the persons who is a director at the date of approval of this annual report confirms that:

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

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

Deloitte LLP were appointed as auditors on 27 August 2019 and have expressed their willingness to continue in office as auditors. A resolution to reappoint them was proposed and approved at the Annual General Meeting of iomart Group plc (parent company of iomart Cloud Services Limited).

Approved by the Board of Directors  
and signed by order of the Board



A McDonald  
Company Secretary  
30 September 2020

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRISTIE DATA LIMITED**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Cristie Data Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRISTIE DATA LIMITED**

## **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Report on other legal and regulatory requirements**

### **Opinions on other matters prescribed by the Companies Act 2006**

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

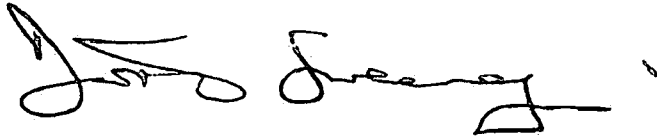
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

We have nothing to report in respect of these matters.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRISTIE DATA LIMITED**

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'David Sweeney', with a stylized flourish at the end.

**David Sweeney, CA (Senior statutory auditor)**  
**for and on behalf of Deloitte LLP**  
Statutory Auditor  
Glasgow, United Kingdom  
30 September 2020

## CRISTIE DATA LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2020

	Note	2020 £	2019 £
Revenue	3	11,644,579	7,527,905
Cost of sales		(8,267,587)	(5,266,876)
<b>Gross profit</b>		<u>3,376,992</u>	<u>2,261,029</u>
Administrative expenses		(2,734,943)	(1,981,457)
<b>Operating profit</b>	4	<u>642,049</u>	<u>279,572</u>
Interest payable and similar expenses	5	(5,448)	-
<b>Profit before taxation</b>		<u>636,601</u>	<u>279,572</u>
Taxation	7	(120,152)	(6,746)
<b>Profit for the financial year</b>		<u><u>516,449</u></u>	<u><u>272,826</u></u>

All of the activities of the company are classed as continuing and there are no items classed as other comprehensive income.

The accompanying accounting policies and notes form an integral part of these financial statements.

# CRISTIE DATA LIMITED

## STATEMENT OF FINANCIAL POSITION As at 31 March 2020

	Note	2020 £	2019 £
<b>Non-current assets</b>			
Tangible fixed assets	8	921,903	544,842
Deferred tax asset	14	48,663	18,963
		<u>970,566</u>	<u>563,805</u>
<b>Current assets</b>			
Debtors	9	8,144,290	6,061,762
Cash		13,845	15,299
		<u>8,158,135</u>	<u>6,077,061</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(4,485,290)</u>	<u>(4,315,013)</u>
<b>Net current assets</b>		<u>3,672,845</u>	<u>1,762,048</u>
<b>Total assets less current liabilities</b>		4,643,411	2,325,853
<b>Creditors: amounts falling due after more than one year</b>	11	(1,766,633)	-
<b>Provisions for liabilities and charges</b>	13	<u>(34,476)</u>	<u>-</u>
<b>Net assets</b>		<u>2,842,302</u>	<u>2,325,853</u>
<b>Capital and reserves</b>			
Called up share capital	15	321,250	321,250
Capital redemption reserve		5,625	5,625
Share premium account		373,950	373,950
Other reserves		10,087	10,087
Profit and loss account		<u>2,131,390</u>	<u>1,614,941</u>
<b>Shareholders' funds</b>		<u>2,842,302</u>	<u>2,325,853</u>

These financial statements were approved by the Board of Directors and authorised for issue on 30 September 2020 and are signed on their behalf by:



A MacSween  
Director

Company number: 03457111

The accompanying accounting policies and notes form an integral part of these financial statements.

## CRISTIE DATA LIMITED

### STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2020

	Share Capital £	Capital redemption reserve £	Share premium account £	Other reserves £	Profit and loss account £	Total £
Balance 1 April 2018	321,250	5,625	373,950	116,820	1,342,115	2,159,760
Profit for the financial year and total comprehensive income	-	-	-	-	272,826	272,826
Share based payments	-	-	-	(106,733)	-	(106,733)
<b>Balance at 31 March 2019</b>	<u>321,250</u>	<u>5,625</u>	<u>373,950</u>	<u>10,087</u>	<u>1,614,941</u>	<u>2,325,853</u>
Profit for the financial year and total comprehensive income	-	-	-	-	516,449	516,449
<b>Balance at 31 March 2020</b>	<u>321,250</u>	<u>5,625</u>	<u>373,950</u>	<u>10,087</u>	<u>2,131,390</u>	<u>2,842,302</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 1. COMPANY INFORMATION

Cristie Data Limited is a private limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is 3<sup>rd</sup> floor, 11-21 Paul Street, London, EC2A 4JU. The nature of the Company's operations and its principal activity is that of a data storage, backup and virtualisation solutions provider.

### 2. ACCOUNTING POLICIES

#### Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The financial statements have been prepared on a historical cost basis and are presented in Sterling (£).

#### Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- a statement of cash flows and related notes;
- the requirement of IAS 24 related party disclosures to disclose related party transactions entered into between two or more members of the iomart Group as they are wholly owned within the iomart Group;
- disclosure of key management personnel compensation;
- capital management disclosures;
- share based payments;
- disclosures in respect of financial instruments;
- impairment of assets;
- certain disclosure requirements in respect of leases; and
- the effect of future accounting standards not adopted.

#### Adoption of new and revised Standards - Amendments to IFRS that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective in the current year including:

- IFRIC 23 Uncertainty over Income Tax Treatments;
- IFRS 16 Leases; and
- Annual improvements to IFRS Standards 2015-2017 cycle.

#### IFRIC 23 – Uncertainty over Income Tax Treatments

The Company has adopted IFRIC 23 for the first time in the current year which had no material impact on the amounts reported, and disclosures included, in the financial statements. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to:

- Determine whether uncertain tax positions are assessed separately or as a group; and
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  - If yes, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings; and
  - If no, the Company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 2. ACCOUNTING POLICIES (CONTINUED)

#### Adoption of new and revised Standards - amendments to IFRS that are mandatorily effective for the current year (continued)

##### IFRS 16 – Leases

In the current year, the Company has applied IFRS 16 that is effective for annual periods that begin on or after 1 January 2019. The date of initial application of IFRS 16 for the Company is 1 April 2019. IFRS 16 introduces significant changes to lessee accounting by removing the distinction between operating and finance leases, requiring the recognition of a right-of-use asset and a lease liability at the commencement of all contracts that are, or contain a lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value (below £5,000).

##### Approach to transition

The Company has applied IFRS 16 using the modified retrospective adoption method, with no restatement of prior year comparatives, and has recognised leases on balance sheet as at 1 April 2019. From 1 April 2019, the Company recognises a right-of-use asset and corresponding lease liability on the balance sheet with respect of all lease arrangements in which it is a lessee, except for short-term leases and low value leases. At this date, the Company has elected to measure the right-of-use assets to an amount equal to the lease liability.

For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as leases under IAS 17 and IFRIC 4.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition.

Instead of performing an impairment review on the right-of-use assets for operating leases in existence at the date of transition, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Company has applied the optional exemptions to not recognise the right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 2.37%.

Judgements applied in the adoption of IFRS 16 include determining the lease term for those leases with termination or extension options and determining an incremental borrowing rate where the rate implicit in a lease could not be readily determined. The directors do not consider that there have been material judgements made.

Full details of lease liabilities are set out in note 12.

The following is a reconciliation of total operating lease commitments at 31 March 2019 to the lease liabilities recognised at 1 April 2019:

	£
Total operating lease commitments disclosed at 31 March 2019	-
Add: adjustments as a result of different treatment of extension and termination options	175,102
<b>Total lease liability recognised under IFRS 16 at 1 April 2019 (note 12)</b>	<b>175,102</b>

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 2. ACCOUNTING POLICIES (CONTINUED)

#### IFRS 16 – Leases (continued)

##### **Leases – Accounting policy applicable from 1 April 2019 following the adoption of IFRS 16**

For any new contracts entered into on or after 1 April 2019, the Company will consider whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use of an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company; the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and the Company has the right to direct the use of the identified asset throughout the period of use.

##### **Measurement and recognition of leases as a lessee**

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability measured at the present value of future lease payments, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease 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 Company assesses the right-of-use asset for impairment under IAS 36 'Impairment of Assets' where such indicators exist.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot readily be determined, the Company applies an incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the liability by payments made. The Company re-measures the lease liability (and adjusts the related right-of-use asset) whenever the lease term has changed or a lease contract is modified and the modification is not accounted for as a separate lease.

Lease payments included in the measurement of the lease liability can be made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Under IFRS 16, the Company recognises depreciation of the right-of-use asset and interest on lease liabilities in the statement of comprehensive income over the period of the lease. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and software and lease liabilities have been included in borrowings due within one year and after more than one year.

In accordance with IAS 17 Leases, the economic ownership of a leased asset is deemed to have been transferred to the Company (the lessee) if the Company bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a lease liability. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss (finance costs) over the period of the lease.

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 2. ACCOUNTING POLICIES (CONTINUED)

#### **Measurement and recognition of leases as a lessee (continued)**

All other leases are regarded as operating leases and the payments made under them are charged to profit or loss on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

#### **New and revised IFRSs in issue but not yet effective and have not been adopted by the Company**

The Company has taken the exemption available under FRS 101 to not disclose the effect of future accounting standards effective but not yet adopted.

#### **Going concern**

In the months since the response to the Covid-19 pandemic was initiated in the UK, there has been a very limited impact on the Company's trading from Covid-19. We take great comfort from the resilience of our business model, especially the diversity and limited concentration of our customer base. We are not significantly exposed to industries that are suffering the worst effects. The level of customer churn across all segments of the business has been extremely low, renewal levels high and cash collection in line with our typical profile. However, we remain vigilant to the economic impact the ongoing situation may create, particularly on the SME segment of the market.

The Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks.

The directors have considered the Company budgets and the cash flow forecasts for the next three financial years, and associated risks, including the potential impact of Covid-19. After making enquiries, the directors have a reasonable expectation that the Company will be able to meet its financial obligations as they fall due and has adequate resources to continue in operational existence for the foreseeable future (being at least 12 months from the date of this report). For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### **Parent company**

The Company is a wholly owned subsidiary of iomart Group plc which prepares publicly available consolidated financial statements in accordance with IFRS. This Company is included in the consolidated financial statements of iomart Group plc for the year ended 31 March 2020. These accounts are available from iomart Group plc, Lister Pavilion, Kelvin Campus, West of Scotland Science Park, Glasgow G20 0SP.

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 2. ACCOUNTING POLICIES (CONTINUED)

#### Property, plant and equipment

Property, plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property, plant and equipment. The following useful lives are applied:

Leasehold property and improvements	Over the remaining life of the lease
Fixture & fittings	3 years
Motor vehicles	4 years
Computer equipment	3 to 5 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

#### Financial assets

Financial assets include trade, other receivables, prepayments, and cash and cash equivalents.

#### Classification and measurement of financial assets

The Company classifies financial assets into three categories:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income ("FVTOCI"); and
- Financial assets measured at fair value through profit or loss ("FVTPL").

The classification of financial assets is based on the Company's business model for managing the financial asset and the contractual cash flow characteristics associated with the financial asset. Specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cashflows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- Debt instruments that are held within a business model whose objective is to both collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at FVTOCI; and
- All other debt investments and equity investments are measured subsequently at FVTPL.

All financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets other than those categorised as at fair value through profit or loss are recognised at fair value plus transaction costs on initial recognition. Financial assets categorised as at fair value through profit or loss are recognised initially at fair value with transaction costs expensed through profit or loss.

All income and expenses relating to financial assets that are recognised in the statement of comprehensive income are presented within 'finance costs' or 'finance income' except for impairment of trade receivables which is presented within 'administrative expenses'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 2. ACCOUNTING POLICIES (CONTINUED)

#### Impairment of financial assets

IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss (“ECL”) model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The Group recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss (“FVTPL”). The main financial asset that is subject to the new expected credit loss model is trade debtors, which consist of billed receivables arising from contracts.

While cash and cash equivalents, accrued income and lease deposits held at amortised cost are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Company has applied the IFRS 9 simplified approach to measuring forward-looking expected credit losses (“ECL”) which uses a lifetime expected loss allowance for all trade receivables. The ECL model reflects a probability weighted amount derived from a range of possible outcomes. To measure the ECL, trade debtors and accrued income have been grouped based on shared credit risk characteristics and the days past due. The Company has established a provision matrix based on the payment profiles of sales over a twenty four month period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information that might affect the ability of customers to settle the receivables, including macroeconomic factors as relevant.

Provision against trade and other debtors is made when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset’s carrying amount and the present value of estimated future cash flows. An assessment for impairment is undertaken at least at each reporting date.

#### Financial liabilities

##### Classification and measurement of financial liabilities

The changes introduced by IFRS 9 in the classification and measurement of financial liabilities do not impact the Company financial liabilities.

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities categorised as at fair value through profit or loss are recorded initially at fair value, all transaction costs are recognised immediately in profit or loss. All other financial liabilities are recorded initially at fair value, net of direct issue costs.

Financial liabilities categorised as at fair value through profit or loss are re-measured at each reporting date at fair value, with changes in fair value being recognised through profit or loss. All other financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs through profit or loss. A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged, cancelled or when it expires. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

#### Hedge accounting

Hedge accounting requirements of IFRS 9 do not apply to the Company.

#### Revenue

Revenue from the sale of cloud computing infrastructure and managed services is recognised on an over time basis over the life of the agreement and only after the service has been established. Set-up fees charged on contracts are spread over the life of the contract. Consultancy services are generally provided on a “time and materials” basis and therefore revenue is recognised as these services are rendered. Revenue from the supply of hardware or software, and the provision of services in respect of installation or training, is recognised when delivery and installation of the equipment is completed on a point in time basis. Any unearned portion of revenue is included in payables as deferred revenue. The amount of revenue recognised “over time” and at a “point in time” can be summarised during the period as follows:

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 2. ACCOUNTING POLICIES (CONTINUED)

#### Revenue (continued)

	2020	2019
	£	£
Recurring – over time	3,819,083	2,697,589
Non-recurring – point in time	7,825,496	4,830,316
	<u>11,644,579</u>	<u>7,527,905</u>

#### Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

#### Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the rates ruling at that date. Any gains or losses arising on assets and liabilities between the date of recording and the date of settlement are treated as gains or losses through profit or loss.

#### Taxation

Current tax is the tax currently payable based on taxable profit for the year. Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. In addition, tax losses available to be carried forward, as well as other income tax credits to the Company, are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates and laws that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities arising in the same tax jurisdiction are offset.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except where they relate to items that are recognised directly in other comprehensive income or equity in which case the related deferred tax is also recognised in other comprehensive income or equity accordingly.

#### Pensions

The Company contributes to an auto-enrolment pension scheme and also to a number of personal pension schemes on behalf of some senior employees. The pension costs charged against operating profit are the contributions payable to the schemes in respect of the accounting period.

#### Share based payments

As detailed in note 26 of the iomart Group plc financial statements there are three share-based payment employee share option schemes administered across the Group. These schemes are not directly administered by Cristie Data Limited and as such the company receives a recharge for any attributable share based payment charges.

As disclosed in note 5, the share based payment charge allocated to the company in the year was £nil (2019: credit of £106,733). The fair value of the employee services received is valued indirectly by valuing the options granted using the Black-Scholes option pricing model. The charge allocated to the company is driven by a calculation within iomart Group plc with the relevant charge being determined by the staff numbers allocated to the company. The detailed assumptions adopted in estimating this charge are outlined within note 26 of the iomart Group plc financial statements to 31 March 2020.

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 2. ACCOUNTING POLICIES (CONTINUED)

#### Operating profit

Operating profit comprises the results of the Company before interest receivable and similar income, interest payable and similar charges, corporation tax and deferred tax.

#### Capital and reserves

Capital and reserves comprise the following:

- “Called up share capital” represents the nominal value of equity shares.
- “Profit and loss account” represents all current and prior period retained profits and losses.
- “Capital redemption reserve” represents set aside reserves in relation to previous redemption of own shares.
- “Share premium” represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- “Other reserves” represents share-based remuneration plans which are ultimately recognised as an expense through profit or loss.

#### Key judgements and sources of estimation uncertainty

There is not considered to be any key assumptions, or levels of estimation uncertainty, which could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the past or present financial year.

### 3. REVENUE

Geographical market by destination	2020 £	2019 £
United Kingdom	11,246,156	7,134,351
Rest of the World	398,423	393,554
	<u>11,644,579</u>	<u>7,527,905</u>

### 4. OPERATING PROFIT

	2020 £	2019 £
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation of tangible assets – owned assets (note 8)	358,115	198,962
Depreciation of tangible assets – right-of-use assets (note 12)	20,590	-
Operating lease rentals – land and buildings under IAS 17	-	23,000
Gain on foreign exchange transactions	(29,230)	(1,729)
	<u>                    </u>	<u>                    </u>

Included within administrative expenses are fees paid to the Company’s auditors:

Audit services:	2020 £	2019 £
Fees payable for the audit of the company accounts	<u>9,000</u>	<u>6,000</u>

*\*Fees in 2019 were payable to Grant Thornton LLP.*

There were no non-audit services undertaken in the current year. In the prior year, the cost of non-audit services in respect of taxation were borne by the ultimate parent company iomart Group plc.

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Finance charge – reinstatement provision	744	-
Interest payable on lease liabilities*	4,704	-
	<u>5,448</u>	<u>-</u>

\*Interest on lease liabilities in 2020 includes the interest on all leases following the transition to IFRS 16 'Leases' as set out in note 12.

### 6. DIRECTORS AND EMPLOYEES

The company does not have any employees. All staff costs within the company are recharged from other Group entities. The directors are also employed and remunerated by other companies in the iomart Group and they do not receive any remuneration specifically for their services as directors of the company.

Staff cost recharged from other Group entities were:

	2020	2019
	£	£
Wages and salaries	1,743,691	1,281,338
Social security costs	175,883	166,502
Share based payments	-	(106,733)
Pension costs	36,309	26,908
	<u>1,955,883</u>	<u>1,368,015</u>

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 7. TAXATION

	2020	2019
	£	£
<b>Analysis of the tax charge</b>		
Corporation tax – current year	147,332	-
Adjustment in respect of prior years	2,520	9,955
	<hr/>	<hr/>
Total current taxation charge	149,852	9,955
Origination and reversal of timing differences	(25,808)	(7,102)
Adjustment in respect of prior years	(1,661)	3,145
Effect of change in tax rates	(2,231)	748
	<hr/>	<hr/>
Total deferred tax credit (note 14)	(29,700)	(3,209)
	<hr/>	<hr/>
Total taxation charge	120,152	6,746
	<hr/> <hr/>	<hr/> <hr/>
	2020	2019
	£	£
<b>Factors affecting the tax charge for the current year</b>		
Profit before taxation	636,601	279,572
	<hr/>	<hr/>
Tax at 19% (2019: 19%) thereon:	120,954	53,119
Effects of:		
Tax effect of share based remuneration	-	(20,279)
Group relief	-	(40,527)
Adjustments in respect of prior years – current tax	2,520	9,955
Adjustments in respect of prior years – deferred tax	(1,661)	3,145
Movement in deferred tax relating to changes in tax rates	(2,231)	748
Expenses not deductible for tax purposes	570	585
	<hr/>	<hr/>
Total taxation charge for the year	120,152	6,746
	<hr/> <hr/>	<hr/> <hr/>

A UK corporation tax rate of 19% has been applied based on the rate substantively enacted at the balance sheet date. The Autumn Budget on 23 November 2016 announced the main rate of corporation tax was expected to be reduced to 17% from 1 April 2020, the Spring Budget on 11 March 2020 confirmed the rate would remain at 19%. Deferred tax assets and liabilities at 31 March 2020 have been calculated based on the rate of 19% enacted at the balance sheet date.

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 8. TANGIBLE FIXED ASSETS

	Leasehold property and improve- ments	Fixtures & fittings	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2019	51,454	94,908	8,700	1,330,400	1,485,462
Additions	209,177	7,454	10,900	528,235	755,766
Disposals	(16,029)	(56,563)	(8,700)	(625,706)	(706,998)
At 31 March 2020	244,602	45,799	10,900	1,232,929	1,534,230
<b>Accumulated depreciation</b>					
At 1 April 2019	(26,327)	(76,573)	(8,700)	(829,020)	(940,620)
Charge for the year	(31,672)	(7,653)	(3,028)	(336,352)	(378,705)
Disposals	16,029	56,563	8,700	625,706	706,998
At 31 March 2020	(41,970)	(27,663)	(3,028)	(539,666)	(612,327)
<b>Net book value</b>					
At 31 March 2019	25,127	18,335	-	501,380	544,842
At 31 March 2020	202,632	18,136	7,872	693,263	921,903

As disclosed in note 2, on 1 April 2019, the Company adopted IFRS 16. At 31 March 2020, a total of £175,102 is recognised within additions to leasehold property and improvements in relation to the initial recognition along with subsequent additions in relation to IFRS 16, with a corresponding depreciation charge of £20,590 (note 12).

### 9. DEBTORS

	2020	2019
	£	£
<b>Amounts falling due within one year</b>		
Trade debtors	1,313,061	1,854,793
Amounts owed by group undertakings	3,035,793	1,736,359
Prepayments and accrued income	3,648,828	2,445,516
Corporation tax debtor	-	6,919
Other debtors	146,608	18,175
	8,144,290	6,061,762

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 9. DEBTORS (CONTINUED)

The Directors consider that the carrying amount of trade and other debtors is approximately equal to their fair value.

Amounts owed by group undertakings are non-interest bearing.

Since the adoption of IFRS 9 in the prior year, the Company has applied the simplified approach to providing for expected credit losses prescribed, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date, including consideration of the impact of Covid-19. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer segments.

Risk profile category (ageing)	2020	ECL rate	2020 ECL allowance	2019	ECL rate	2019 ECL allowance
	£	%	£	£	%	£
Current	1,196,624	0.21%	2,476	1,370,110	0.23%	2,632
0-30 days	111,666	0.48%	532	154,257	0.56%	857
30-60 days	14,610	2.31%	337	268,450	2.23%	5,982
60-90 days	-	0%	-	81,783	5.45%	4,461
Over 90 days	(6,494)	0%	-	(5,875)	0%	-
Total	<u>1,316,406</u>		<u>3,345</u>	<u>1,868,725</u>		<u>13,932</u>

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	936,883	1,240,029
Other taxation and social security	224,239	77,980
Accruals	776,190	205,866
Deferred income	2,381,472	2,791,138
Corporation tax (note 7)	147,332	-
Lease liabilities (note 12)	19,174	-
	<u>4,485,290</u>	<u>4,315,013</u>

### 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Deferred income	1,629,001	-
Lease liabilities (note 12)	137,632	-
	<u>1,766,633</u>	<u>-</u>

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 12. LEASES

The Company leases a building. Information about leases for which the Company is a lessee is presented below:

<b>Right-of-use-assets</b>	<b>Leasehold property £</b>
Balance at 31 March 2019	-
Adjustment on transition to IFRS 16	175,102
At 1 April 2019 after adoption of IFRS 16	175,102
Depreciation	(20,590)
<b>At 31 March 2020</b>	<b>154,512</b>

The right-of-use assets in relation to leasehold property are disclosed as non-current assets and are disclosed within property, plant and equipment at 31 March 2020 (note 8).

#### Lease liabilities

Lease liabilities are presented in the balance sheet within creditors due within one year and creditors due after more than one year as follows:

	<b>2020 £</b>	<b>2019 £</b>
<b>Creditors: due within one year</b>		
Lease liabilities (note 10)	19,174	-
<b>Creditors: due after more than one year</b>		
Lease liabilities (note 11)	137,632	-
	<u>156,806</u>	<u>-</u>

The maturity analysis of undiscounted lease liabilities are shown in the table below:

	<b>2020 £</b>	<b>2019 £</b>
<b>Amounts payable under leases:</b>		
Within one year	23,000	-
Within two to five years	92,000	-
More than five years	57,500	-
	<u>172,500</u>	<u>-</u>
Unearned interest	(15,694)	-
<b>Total lease liabilities</b>	<u>156,806</u>	<u>-</u>

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 12. LEASES (CONTINUED)

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight line basis. During the year ended 31 March 2020, in relation to leases under IFRS 16, the Company recognised the following amounts in the statement of comprehensive income:

	2020
	£
Depreciation charge (note 8)	20,590
Interest expense (note 5)	4,704
	<u>25,294</u>

### 13. PROVISIONS FOR LIABILITIES AND CHARGES

	2020	2019
	£	£
Reinstatement provision	34,476	-
	<u>34,476</u>	<u>-</u>

During the year, the Company has made provision for the reinstatement of a leasehold property and after initial measurement, any subsequent adjustments to reinstatement provisions will be recorded against the original amount included in leasehold improvements with a corresponding adjustment to future depreciation charges. As at 31 March 2020, the total reinstatement provision of the Company is £34,476 (2019: £nil). The utilisation of the reinstatement provision will be in line with the end of the leasehold properties lease terms to which the provisions relate.

The directors consider the carrying values of the provisions to approximate to their fair values as they have been discounted.

The movement in the reinstatement provision during the year was:

	2020	2019
	£	£
Opening balance at start of year	-	-
Increase in provision	34,476	-
Closing balance at end of year	<u>34,476</u>	<u>-</u>

# CRISTIE DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 14. DEFERRED TAX ASSET

	2020 £	2019 £
The movement in the deferred taxation asset account during the year was:		
Balance brought forward	18,963	15,754
Credited to statement of comprehensive income during the year (note 7)	29,700	3,209
Balance carried forward	<u>48,663</u>	<u>18,963</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

Capital allowances	<u>48,663</u>	<u>18,963</u>
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### 15. SHARE CAPITAL

	No.	£
<b>At 31 March 2020 and 31 March 2019</b>		
<b>Allotted, called up and fully paid:</b>		
Ordinary shares of £0.05 each	<u>6,425,000</u>	<u>321,250</u>

### 16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company and controlling party is iomart Group plc, a company registered in Scotland, which heads the smallest and largest group in which the results of Cristie Data Limited are consolidated.

The consolidated financial statements are available from iomart Group plc, Lister Pavilion, Kelvin Campus, West of Scotland Science Park, Glasgow, G20 0SP.