

Company Registration No. 06908560 (England and Wales)

**VENTRICA LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 OCTOBER 2019**



# VENTRICA LIMITED

## COMPANY INFORMATION

---

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | D Forte<br>C Sullivan  |
| <b>Company number</b>    | 06908560   |
| <b>Registered office</b> | 4th Floor Tylers House<br>Tylers Avenue<br>Southend-On-Sea<br>Essex<br>SS1 2BB   |
| <b>Auditor</b>           | RSM UK Audit LLP<br>Chartered Accountants<br>3rd Floor<br>Portland<br>25 High Street<br>Crawley<br>West Sussex<br>RH10 1BG |

---

# VENTRICA LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2019

---

The directors present the strategic report for the year ended 31 October 2019.

#### Review of the business

The company solely operates a contact centre and was acquired by the group headed by Oasis Topco Limited on 25 September 2018.

#### Results and performance

The revenue of Ventrica Limited for the year ended 31 October was £14,211,795. The company made an operating profit of £1,643,595, and profit after tax of £1,410,022.

The turnover of Ventrica Limited increased by 26% in the year to £14.2m, driven mainly by organic growth of existing clients, with £1.5m being reflected in gross profit, which increased to £5.3m. Overall margin as a percent of turnover increased a little in the year to 37%. Administrative expenses increased by £1.0m to £3.7m due to investment in management and organisational capacity. Net profit before tax for the year was £1.6m or 11.4% of turnover.

The above are considered to be the key performance indicators of the group.

#### Principal risks and uncertainties

The key business risks for Ventrica Limited are the risk of:

- Extending credit to end-clients; mitigated by credit assessment of prospective clients on engagement, on-going credit checks of all clients, aged debtor reporting and review, and the restriction of credit terms and advance funding where deemed necessary
- The operating risk associated with the delivery of contact centre services; this is mitigated via the clear definition of services and service levels when contracting with clients and regular reporting, review and action on operational key performance indicators

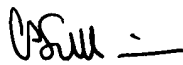
Another key risk to the business is recruitment of staff, in order to meet growth on new client acquisition and to resource for the activity peak in winter for the company's retail clients. The company is undertaking a number of initiatives to mitigate this risk.

As to be expected in a high growth company, maintaining adequate working capital and accessing appropriately structured funding is fundamental to operating the business; cash flow is assessed on a monthly basis, and detailed business forecasts are updated periodically throughout the year.

#### Future developments

The company's key objectives are the retention of existing clients through continued service excellence, and organic growth by securing new clients.

On behalf of the board



.....  
C Sullivan  
Director

Date: 29/07/2020

# VENTRICA LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2019

---

The director presents his annual report and financial statements for the year ended 31 October 2019.

#### **Principal activities**

The principal activity of the company continued to be that of a contact centre.

#### **Directors**

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

D Forte

C Sullivan

(Appointed 7 April 2020)

#### **Results and dividends**

The results for the year are set out on page 7.

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

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Disabled persons**

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

#### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

#### **Post reporting date events**

The outbreak of the COVID-19 pandemic has been unprecedented and has impacted businesses around the globe. The company has successfully transitioned to home working, has generated strong results throughout the lockdown period and has indeed won new business in this time. Whilst the directors continue to monitor the situation, and the inherent COVID-19 uncertainties remain present, the company will act accordingly to mitigate any future impact via continued home working where required and by continued positive engagement with its range of blue chip customers.

#### **Auditor**

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosure to auditor**

So far as the director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# VENTRICA LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

---

### Going concern

At the year end, the company was in a profitable and cash generative position. Post year end trading and cash generation have remained strong. The company continued to win new business during the COVID-19 pandemic, having successfully transitioned to a full home working model in that period. The company has also benefitted from various UK Government schemes to further improve cashflows where appropriate during the pandemic. Nevertheless, subsequent to the year end the group breached a shareholder covenant in respect of loan notes issued by Oasis Midco Limited (a wholly owned intermediate holding company within the group, in which the group's shareholders provided investment in 2018 by the way of shareholder loans). The directors have prepared forecasts for various scenarios and in a scenario with very poor trading conditions the group may breach this same shareholder covenant again within 12 months of when the financial statements are approved.

This historic and potential future shareholder covenant breach could require the refinancing of certain elements of the shareholder loan notes at the reasonable discretion of the loan note holders. As with any future event, there is no guarantee when or if this could be reasonably achieved by the group. As such, the group has sought and obtained a written waiver from the shareholder loan note holders confirming that they will not enforce this covenant for a period of at least 12 months from when these financial statements are approved, if the group is unable to obtain the required refinancing. With this waiver in place, there is forecast to be ample working capital resources in place within the business even in a scenario with very poor trading conditions with further disruption due to COVID-19. Having considered these factors, including the written waiver, and the latest available guidance on going concern, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence, meeting all liabilities as they fall due, for a period of 12 months from the approval of these financial statements and as such it is entirely appropriate to prepare the financial statements on a going concern basis.

### Strategic report

Various information is not shown within the Directors' Report as it is instead included within the Strategic Report on page 1 under section 414C(11) of the Companies Act 2006.

On behalf of the board



.....  
C Sullivan  
Director

Date: 29/07/2020

# **VENTRICA LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2019**

---

The directors are responsible for preparing the Strategic Report, 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 law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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;
- 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 him 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENTRICA LIMITED

---

## Opinion

We have audited the financial statements of Ventrica Limited (the 'company') for the year ended 31 October 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

## Other information

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

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

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENTRICA LIMITED (CONTINUED)

---

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

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 material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 director determines 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 intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### 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.



Zoe Rudling (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

3rd Floor

Portland

25 High Street

Crawley

West Sussex, RH10 1BG

31 July 2020.....

# VENTRICA LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2019

---

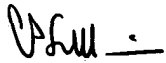
|   | Notes | 2019<br>£        | 2018<br>£        |
|---|-------|------------------|------------------|
| Turnover  | 3     | 14,211,795       | 11,308,676       |
| Cost of sales   |       | (8,887,270)      | (7,462,161)      |
| <b>Gross profit</b>   |       | <b>5,324,525</b> | <b>3,846,515</b> |
| Administrative expenses   |       | (3,680,930)      | (2,716,562)      |
| Other operating income  |       | -                | 34               |
| <b>Operating profit</b>   | 6     | <b>1,643,595</b> | <b>1,129,987</b> |
| Interest receivable and similar income                              | 7     | 898              | -                |
| Interest payable and similar expenses                               | 8     | (28,000)         | (53,761)         |
| <b>Profit before taxation</b>                                       |       | <b>1,616,493</b> | <b>1,076,226</b> |
| Tax on profit   | 9     | (206,471)        | (185,264)        |
| <b>Profit and total comprehensive income for the financial year</b> |       | <b>1,410,022</b> | <b>890,962</b>   |

---

**VENTRICA LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 OCTOBER 2019**

|  | Notes | 2019             |                  | 2018             |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  |       | £                | £                | £                | £                |
| <b>Fixed assets</b>  |       |                  |                  |                  |                  |
| Intangible assets  | 11    |                  | 219,681          |                  | 102,219          |
| Tangible assets  | 12    |                  | 1,871,167        |                  | 1,748,153        |
|  |       |                  | <u>2,090,848</u> |                  | <u>1,850,372</u> |
| <b>Current assets</b>  |       |                  |                  |                  |                  |
| Debtors  | 13    | 4,405,861        |                  | 3,297,772        |                  |
| Cash at bank and in hand                                       |       | 575,508          |                  | 379,600          |                  |
|  |       | <u>4,981,369</u> |                  | <u>3,677,372</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (2,206,472)      |                  | (1,911,256)      |                  |
| <b>Net current assets</b>                                      |       |                  | <u>2,774,897</u> |                  | <u>1,766,116</u> |
| <b>Total assets less current liabilities</b>                   |       |                  | <u>4,865,745</u> |                  | <u>3,616,488</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |                  | (142,088)        |                  | (335,437)        |
| <b>Provisions for liabilities</b>                              | 18    |                  | (341,128)        |                  | (308,544)        |
| <b>Net assets</b>  |       |                  | <u>4,382,529</u> |                  | <u>2,972,507</u> |
| <b>Capital and reserves</b>                                    |       |                  |                  |                  |                  |
| Called up share capital  | 21    |                  | 1                |                  | 1                |
| Profit and loss reserves                                       | 22    |                  | 4,382,528        |                  | 2,972,506        |
| <b>Total equity</b>  |       |                  | <u>4,382,529</u> |                  | <u>2,972,507</u> |

The financial statements were approved by the board of directors and authorised for issue on 29/07/2020 and are signed on its behalf by:



.....  
C Sullivan  
Director

# VENTRICA LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2019

|  | Notes | Share capital<br>£ | Profit and loss reserves<br>£ | Total<br>£ |
|--|-------|--------------------|-------------------------------|------------|
| <b>Balance at 1 November 2017</b>                  |       | 1                  | 2,166,544                     | 2,166,545  |
| <b>Year ended 31 October 2018:</b>                 |       |                    |                               |            |
| Profit and total comprehensive income for the year |       | -                  | 890,962                       | 890,962    |
| Dividends  | 10    | -                  | (85,000)                      | (85,000)   |
| <b>Balance at 31 October 2018</b>                  |       | 1                  | 2,972,506                     | 2,972,507  |
| <b>Year ended 31 October 2019:</b>                 |       |                    |                               |            |
| Profit and total comprehensive income for the year |       | -                  | 1,410,022                     | 1,410,022  |
| <b>Balance at 31 October 2019</b>                  |       | 1                  | 4,382,528                     | 4,382,529  |

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

---

### 1 Accounting policies

#### Company information

Ventrica Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 4th Floor Tylers House, Tylers Avenue, Southend-On-Sea, Essex, SS1 2BB.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Oasis Topco Limited. These consolidated financial statements are available from Companies House.

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

---

### 1 Accounting policies (Continued)

#### Going concern

At the year end, the company was in a profitable and cash generative position. Post year end trading and cash generation have remained strong. The company continued to win new business during the COVID-19 pandemic, having successfully transitioned to a full home working model in that period. The company has also benefitted from various UK Government schemes to further improve cashflows where appropriate during the pandemic. Nevertheless, subsequent to the year end the group breached a shareholder covenant in respect of loan notes issued by Oasis Midco Limited (a wholly owned intermediate holding company within the group, in which the group's shareholders provided investment in 2018 by the way of shareholder loans). The directors have prepared forecasts for various scenarios and in a scenario with very poor trading conditions the group may breach this same shareholder covenant again within 12 months of when the financial statements are approved.

This historic and potential future shareholder covenant breach could require the refinancing of certain elements of the shareholder loan notes at the reasonable discretion of the loan note holders. As with any future event, there is no guarantee when or if this could be reasonably achieved by the group. As such, the group has sought and obtained a written waiver from the shareholder loan note holders confirming that they will not enforce this covenant for a period of at least 12 months from when these financial statements are approved, if the group is unable to obtain the required refinancing. With this waiver in place, there is forecast to be ample working capital resources in place within the business even in a scenario with very poor trading conditions with further disruption due to COVID-19. Having considered these factors, including the written waiver, and the latest available guidance on going concern, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence, meeting all liabilities as they fall due, for a period of 12 months from the approval of these financial statements and as such it is entirely appropriate to prepare the financial statements on a going concern basis.

#### Turnover

Turnover is measured at fair value of the consideration received or receivable. The consideration represents the sum of the invoiced value of services provided to clients plus any value earned but not invoiced, net of Value Added Tax. Turnover is recognised in the month that the relevant work is completed.

#### Intangible fixed assets other than goodwill

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

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                   |                         |
|-------------------|-------------------------|
| Software licences | 5-7 years straight line |
|-------------------|-------------------------|

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

|                        |                            |
|------------------------|----------------------------|
| Leasehold improvements | Over the term of the lease |
| Fixtures and fittings  | 7 years straight line      |
| Computers              | 5 years straight line      |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

---

### 1 Accounting policies (Continued)

#### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

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

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

---

### 1 Accounting policies (Continued)

#### ***Derecognition of financial assets***

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

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, accruals, amounts owed to group undertakings and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

---

### 1 Accounting policies (Continued)

#### Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

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

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

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### Key sources of estimation uncertainty

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

#### *Dilapidations*

The company has recognised a dilapidations provision in the balance sheet as the company has a liability to restore its leased premises to their original condition at the expiry of the lease. The Board have used available data and their knowledge of historic adjustments made to the sites with reference to the terms of the lease, and have estimated that the cost of the restoration is expected to be £205,000 as at 31 October 2019; this will be kept under annual review.

### 3 Turnover and other revenue

|   | 2019<br>£         | 2018<br>£         |
|---|-------------------|-------------------|
| <b>Turnover analysed by class of business</b>   |                   |                   |
| Contact centre services                         | 14,211,795        | 11,308,676        |
|   | <u>14,211,795</u> | <u>11,308,676</u> |
|   | 2019<br>£         | 2018<br>£         |
| <b>Other revenue</b>                            |                   |                   |
| Interest income                                 | 898               | -                 |
|   | <u>898</u>        | <u>-</u>          |
|   | 2019<br>£         | 2018<br>£         |
| <b>Turnover analysed by geographical market</b> |                   |                   |
| UK  | 14,211,795        | 11,308,676        |
|   | <u>14,211,795</u> | <u>11,308,676</u> |

### 4 Employees

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

|                | 2019<br>Number | 2018<br>Number |
|----------------|----------------|----------------|
| Management     | 62             | 59             |
| Administration | 453            | 341            |
|                | <u>515</u>     | <u>400</u>     |

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 4 Employees (Continued)

Their aggregate remuneration comprised:

|                       | 2019             | 2018             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 8,709,224        | 7,422,642        |
| Social security costs | 585,032          | 520,463          |
| Pension costs         | 109,419          | 64,437           |
|                       | <u>9,403,675</u> | <u>8,007,542</u> |

### 5 Directors' remuneration

|   | 2019           | 2018          |
|---|----------------|---------------|
|   | £              | £             |
| Remuneration for qualifying services                          | 194,180        | 42,493        |
| Company pension contributions to defined contribution schemes | 1,124          | 2,206         |
|   | <u>195,304</u> | <u>44,699</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

### 6 Operating profit

|   | 2019           | 2018           |
|---|----------------|----------------|
|   | £              | £              |
| Operating profit for the year is stated after charging:                                   |                |                |
| Fees payable to the company's auditor for the audit of the company's financial statements | 15,325         | 18,000         |
| Depreciation of owned tangible fixed assets   | 278,659        | 319,553        |
| Depreciation of tangible fixed assets held under finance leases                           | 131,230        | 11,064         |
| Amortisation of intangible assets   | 31,683         | 32,213         |
| Operating lease charges   | <u>387,256</u> | <u>420,168</u> |

### 7 Interest receivable and similar income

|                       | 2019       | 2018     |
|-----------------------|------------|----------|
|                       | £          | £        |
| Interest income       |            |          |
| Other interest income | <u>898</u> | <u>-</u> |

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 8 Interest payable and similar expenses

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | £             | £             |
| Interest on bank overdrafts and loans                  | 12,701        | 27,607        |
| Interest on finance leases and hire purchase contracts | 15,299        | 26,015        |
| Other interest   | -             | 139           |
|  | <u>28,000</u> | <u>53,761</u> |

### 9 Taxation

|  | 2019           | 2018            |
|--|----------------|-----------------|
|  | £              | £               |
| <b>Current tax</b>                                   |                |                 |
| UK corporation tax on profits for the current period | 227,888        | 221,254         |
| Adjustments in respect of prior periods              | (54,001)       | (12,727)        |
| Total current tax                                    | <u>173,887</u> | <u>208,527</u>  |
| <b>Deferred tax</b>                                  |                |                 |
| Origination and reversal of timing differences       | 4,755          | (9,915)         |
| Changes in tax rates                                 | -              | (13,348)        |
| Adjustment in respect of prior periods               | 27,829         | -               |
| Total deferred tax                                   | <u>32,584</u>  | <u>(23,263)</u> |
| Total tax charge                                     | <u>206,471</u> | <u>185,264</u>  |

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

|  | 2019             | 2018             |
|--|------------------|------------------|
|  | £                | £                |
| Profit before taxation   | <u>1,616,493</u> | <u>1,076,226</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%) | 307,134          | 204,483          |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 6,516            | 7,968            |
| Tax effect of income not taxable in determining taxable profit                                       | -                | (2,698)          |
| Adjustments in respect of prior years  | (26,172)         | (16,077)         |
| Group relief   | (93,186)         | (7,670)          |
| Fixed asset difference   | 12,738           | (742)            |
| Effect of change in corporation tax rate   | (559)            | -                |
| Taxation charge for the year   | <u>206,471</u>   | <u>185,264</u>   |

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 10 Dividends

|              | 2019 | 2018   |
|--------------|------|--------|
|              | £    | £      |
| Interim paid | -    | 85,000 |

### 11 Intangible fixed assets

|                                    | Software<br>licences<br>£ |
|------------------------------------|---------------------------|
| <b>Cost</b>                        |                           |
| At 1 November 2018                 | 289,168                   |
| Additions                          | 149,145                   |
| At 31 October 2019                 | 438,313                   |
| <b>Amortisation and impairment</b> |                           |
| At 1 November 2018                 | 186,949                   |
| Amortisation charged for the year  | 31,683                    |
| At 31 October 2019                 | 218,632                   |
| <b>Carrying amount</b>             |                           |
| At 31 October 2019                 | 219,681                   |
| At 31 October 2018                 | 102,219                   |

Included within the above are software licenses with a net book value of £19,938 (2018: £33,326) which are held under finance leases. The amortisation charged during the period on these assets was £13,388 (2018: £1,290).

The amortisation charge for the year is included within administrative expenses.

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 12 Tangible fixed assets

|                                    | Leasehold<br>improvements<br>£ | Fixtures and<br>fittings<br>£ | Computers<br>£   | Total<br>£       |
|------------------------------------|--------------------------------|-------------------------------|------------------|------------------|
| <b>Cost</b>                        |                                |                               |                  |                  |
| At 1 November 2018                 | 1,485,652                      | 159,045                       | 1,001,846        | 2,646,543        |
| Additions                          | 271,497                        | 141,613                       | 119,793          | 532,903          |
| At 31 October 2019                 | <u>1,757,149</u>               | <u>300,658</u>                | <u>1,121,639</u> | <u>3,179,446</u> |
| <b>Depreciation and impairment</b> |                                |                               |                  |                  |
| At 1 November 2018                 | 411,828                        | 60,615                        | 425,947          | 898,390          |
| Depreciation charged in the year   | 182,236                        | 36,850                        | 190,803          | 409,889          |
| At 31 October 2019                 | <u>594,064</u>                 | <u>97,465</u>                 | <u>616,750</u>   | <u>1,308,279</u> |
| <b>Carrying amount</b>             |                                |                               |                  |                  |
| At 31 October 2019                 | <u>1,163,085</u>               | <u>203,193</u>                | <u>504,889</u>   | <u>1,871,167</u> |
| At 31 October 2018                 | <u>1,073,824</u>               | <u>98,430</u>                 | <u>575,899</u>   | <u>1,748,153</u> |

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

|                        | 2019<br>£      | 2018<br>£      |
|------------------------|----------------|----------------|
| Leasehold improvements | 111,605        | 133,632        |
| Fixtures and fittings  | 4,945          | 7,382          |
| Computers              | 208,454        | 315,220        |
|                        | <u>325,004</u> | <u>456,234</u> |

### 13 Debtors

|   | 2019<br>£        | 2018<br>£        |
|---|------------------|------------------|
| <b>Amounts falling due within one year:</b> |                  |                  |
| Trade debtors                               | 2,581,753        | 2,251,850        |
| Amounts owed by group undertakings          | 1,426,675        | 50,497           |
| Other debtors                               | 213,077          | 850,000          |
| Prepayments and accrued income              | 184,356          | 145,425          |
|   | <u>4,405,861</u> | <u>3,297,772</u> |

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 14 Creditors: amounts falling due within one year

|                                    | Notes | 2019<br>£        | 2018<br>£        |
|------------------------------------|-------|------------------|------------------|
| Bank loans and overdrafts          | 16    | 157,661          | 151,990          |
| Obligations under finance leases   | 17    | 46,485           | 156,848          |
| Trade creditors                    |       | 136,385          | 305,267          |
| Amounts owed to group undertakings |       | 39,900           | -                |
| Corporation tax                    |       | 45,306           | 28,527           |
| Other taxation and social security |       | 930,686          | 731,616          |
| Other creditors                    |       | 60,412           | 44,613           |
| Accruals and deferred income       |       | 789,637          | 492,395          |
|                                    |       | <u>2,206,472</u> | <u>1,911,256</u> |

Included within obligations under finance leases are hire purchase liabilities of £46,485 (2018: £156,848) which are secured against the assets to which they relate, and by a personal guarantee given by the company's director.

Included within other creditors is an invoice discounting facility balance utilised of £Nil (2018: £12,147), which is secured by way of a fixed and floating charge over the company's assets. At 31 October 2019 this facility is included within other debtors at a value of £213,077 (2018: £Nil).

The bank loan is secured by way of a debenture with the lender.

### 15 Creditors: amounts falling due after more than one year

|                                  | Notes | 2019<br>£      | 2018<br>£      |
|----------------------------------|-------|----------------|----------------|
| Bank loans and overdrafts        | 16    | 108,412        | 262,025        |
| Obligations under finance leases | 17    | 33,676         | 73,412         |
|                                  |       | <u>142,088</u> | <u>335,437</u> |

Included within obligations under finance leases are hire purchase liabilities of £33,676 (2018: £73,412) which are secured against the assets to which they relate, and by a personal guarantee given by the company's director.

The bank loan is secured by way of a debenture with the lender.

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 16 Borrowings

|                         | 2019<br>£ | 2018<br>£ |
|-------------------------|-----------|-----------|
| Bank loans              | 266,073   | 414,015   |
| Payable within one year | 157,661   | 151,990   |
| Payable after one year  | 108,412   | 262,025   |

The bank loan is secured by way of a debenture with the lender.

### 17 Finance lease obligations

|   | 2019<br>£ | 2018<br>£ |
|---|-----------|-----------|
| Future minimum lease payments due under finance leases: |           |           |
| Less than one year                                      | 49,254    | 156,848   |
| Between one and five years                              | 34,558    | 73,412    |
|   | 83,812    | 230,260   |
| Less: future finance charges                            | (3,651)   | -         |
|   | 80,161    | 230,260   |

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 18 Provisions for liabilities

|                          | Notes | 2019<br>£ | 2018<br>£ |
|--------------------------|-------|-----------|-----------|
| Dilapidation provision   |       | 205,000   | 205,000   |
| Deferred tax liabilities | 19    | 136,128   | 103,544   |
|                          |       | 341,128   | 308,544   |

Movements on provisions apart from deferred tax liabilities:

|  | Dilapidation<br>provision<br>£ |
|--|--------------------------------|
| At 1 November 2018 and 31 October 2019 | 205,000                        |

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 19 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

|                                | <b>Liabilities<br/>2019<br/>£</b> | <b>Liabilities<br/>2018<br/>£</b> |
|--------------------------------|-----------------------------------|-----------------------------------|
| <b>Balances:</b>               |                                   |                                   |
| Accelerated capital allowances | 138,944                           | 106,305                           |
| Short term timing differences  | (2,816)                           | (2,761)                           |
|                                | <u>136,128</u>                    | <u>103,544</u>                    |
|                                |                                   | <b>2019<br/>£</b>                 |
| <b>Movements in the year:</b>  |                                   |                                   |
| Liability at 1 November 2018   |                                   | 103,544                           |
| Charge to profit or loss       |                                   | 32,584                            |
|                                |                                   | <u>136,128</u>                    |
| Liability at 31 October 2019   |                                   | <u>136,128</u>                    |

### 20 Retirement benefit schemes

|   | <b>2019<br/>£</b> | <b>2018<br/>£</b> |
|---|-------------------|-------------------|
| <b>Defined contribution schemes</b>                                 |                   |                   |
| Charge to profit or loss in respect of defined contribution schemes | 109,419           | 64,437            |
|   | <u>109,419</u>    | <u>64,437</u>     |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £30,331 (2018: £16,240) were payable to the fund at the year end and are included in creditors.

### 21 Share capital

|   | <b>2019<br/>£</b> | <b>2018<br/>£</b> |
|---|-------------------|-------------------|
| <b>Ordinary share capital<br/>Issued and fully paid</b> |                   |                   |
| 100 Ordinary shares of 1p each                          | 1                 | 1                 |
|   | <u>1</u>          | <u>1</u>          |
|   | <u>1</u>          | <u>1</u>          |

All shares have full voting rights, rights to dividends and distribution on winding up.

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### 22 Reserves

#### Profit and loss reserves

The profit and loss reserve represents cumulative profits or losses net of distributions to owners.

### 23 Operating lease commitments

#### Lessee

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

|                            | 2019             | 2018             |
|----------------------------|------------------|------------------|
|                            | £                | £                |
| Within one year            | 409,013          | 267,037          |
| Between one and five years | 1,831,756        | 1,068,148        |
| In over five years         | 342,482          | 255,832          |
|                            | <u>2,583,251</u> | <u>1,591,017</u> |

### 24 Capital commitments

Amounts contracted for but not provided in the financial statements:

|                                      | 2019     | 2018           |
|--------------------------------------|----------|----------------|
|                                      | £        | £              |
| Acquisition of tangible fixed assets | -        | 373,737        |
|                                      | <u>-</u> | <u>373,737</u> |

### 25 Events after the reporting date

The outbreak of the COVID-19 pandemic has been unprecedented and has impacted businesses around the globe. The company has successfully transitioned to home working, has generated strong results throughout the lockdown period and has indeed won new business in this time. Whilst the directors continue to monitor the situation, and the inherent COVID-19 uncertainties remain present, the company will act accordingly to mitigate any future impact via continued home working where required and by continued positive engagement with its range of blue chip customers.

### 26 Directors' transactions

Dividends totalling £Nil (2018 - £85,000) were paid in the year in respect of shares held by the company's directors. The director also lent the company £300,000 (2018: £Nil) in the year, which was repaid by the year end.

# VENTRICA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

---

### 27 Ultimate controlling party

The company is a subsidiary of Oasis Bidco Limited. The ultimate parent company is Oasis Topco Limited, which is the parent of the largest and smallest group of companies for which consolidated accounts are prepared. The registered office of Oasis Topco Limited is 4th Floor Tylers House, Tylers Avenue, Southend-On-Sea, Essex, England, SS1 2BB. The consolidated accounts can be obtained from Companies House.

The ultimate controlling party is D Forte, a director, by virtue of his shareholding in the group.