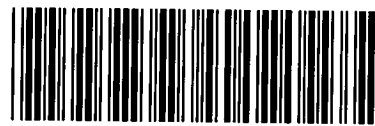


**Company Registration No. 06660006 (England and Wales)**

**REDINGTON LIMITED**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**

WEDNESDAY



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# REDINGTON LIMITED

## COMPANY INFORMATION

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | D J Bennett<br>L Georgs<br>K E Purves<br>M Sheth<br>P L Symes<br>Z Taylor  |
| <b>Company number</b>    | 06660006   |
| <b>Registered office</b> | 55 Baker Street<br>London<br>W1U 7EU   |
| <b>Auditor</b>           | BDO LLP<br>55 Baker Street<br>London<br>W1U 7EU  |
| <b>Bankers</b>           | Barclays Bank PLC<br>120 Moorgate<br>London<br>EC2M 6SX<br><br>Royal Bank of Scotland PLC<br>62-63 Threadneedle Street<br>London<br>EC2R 8LA |
| <b>Solicitors</b>        | Addleshaw Goddard LLP<br>Milton Gate<br>60 Chiswell Street<br>London<br>EC1Y 4AG   |

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# REDINGTON LIMITED

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# REDINGTON LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present the strategic report for the year ended 31 December 2020.

#### Principal Activity

Redington is an investment consultancy business that provides a full range of outcome-orientated advice, research and technology to institutional investors and wealth managers in the UK, Europe and China.

The group has three lines of business:

- UK Consulting: provision of strategic advice to UK Defined Benefit ("DB") and Defined Contribution ("DC") Pension Funds in the UK;
- Global Assets ("GA"): designing outcome-oriented funds, solutions and research for Private Wealth and other long-term savings institutions globally; and
- Technology: licencing "ADA" our Software-as-a-Service ("SaaS") product range to Pension Funds, Insurance Companies, Private Wealth, multi-national corporations and other institutions around the world.

Our strategic priorities can be summarised as follows:

- Relationships: Growing our core business to create financial security for more end-beneficiaries.
- Diversified & Robust Platform: Scaling new business lines internationally supported by a strong platform.
- Profitability: Transforming the business to benefit from adoption of technology and other process efficiencies.

On 18 February 2020, the company received private equity backing from Phoenix Equity Partners ("Phoenix"), a leading UK private equity firm. Phoenix is partnering with Redington's management team to support the company's further successful growth, enabling it to continue to develop its long-term proposition for clients, while delivering exceptional service. Redington will retain its independence and control over strategy and the inclusive culture on which the business prides itself. Redington's founders and management team have remained unchanged as have the roles and responsibilities of the company's staff.

#### Business review

The directors are pleased with Redington's performance during the last year. The results for the year and financial position of the group are as shown in the financial statements.

For the group, revenue for the year was £26.5m, an 7% annualised increase from the prior eight-month period (31 December 2019: £16.5m). During the year, the revenue in each of the three lines of business grew on an annualised basis.

We remain trusted by an enviable and diverse list of new clients, from large UK pension schemes, to European Private Wealth managers, UK Local Authorities and Insurance Companies in China. Our fund manager research is based on in-depth analysis into which firms have a competitive advantage in ten key categories. Our research covers the entire spectrum, from global equities and credit to hedge funds, private equity and impact investing. We use our in-house process to examine their environmental, social and corporate governance skills and processes.

For the year, the group reported a loss after tax of £1.2m compared to a profit after tax of £1.0m for the eight months to 31 December 2019. The loss is stated after £1.9m of costs relating to the transaction with Phoenix and a further £1.8m of share based payments, neither of which are expected to reoccur.

We continue to invest in the business. Average monthly number of employees has grown by 41 to 197 for the year ending December 2020. Delivering exceptional client service remains at the heart of the Redington offering and we are proud to have retained a Net Promoter Score® of 62 over the last financial year. We are known for our entrepreneurial culture, independent thinking and ability to attract and retain talent in our industry. This is evidenced through high staff engagement and staff Pulse surveys which remain strong.

We have continued to invest in our FinTech platform, ADA, to support delivery and growth across a diversified set of revenue streams and geographies. Our robust, customisable platform uses cloud, AI and advanced analytics to provide analysis and insight for our clients. We have also licenced ADA to a number of well-known clients.

# REDINGTON LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Key Performance indicators**

The key performance indicators for the company are revenue, profit and employee numbers, which have been disclosed on the previous page.

#### **Principal risks and uncertainties**

Redington has systems and processes in place to enable the Board to monitor risks that could impact the company's ability to achieve its business objectives.

The main principal risk identified and monitored by the Risk Committee and Board is as follows: *Maintaining robust risk management and control framework.*

The management and control of risks is an integral part of our corporate governance. The Risk Committee is responsible for risk management at Redington. The Compliance Officer has a duty to work with the Risk Committee, the management and staff to identify and manage regulatory risk.

#### **COVID-19 business continuity and risk management**

Redington has been monitoring COVID-19 and managing the situation since early February 2020. We have successfully invoked our business continuity plans in China and the UK and continue to monitor the COVID-19 situation and its impact on the business and all stakeholders. Having flagged the risk relatively early and putting the welfare of our teams first, the group instigated work from home plans in March 2020. As expected from a cloud native company, the transition was straightforward, and we saw no loss in productivity during that time. Redington have continued to win new projects and to deliver a high levels of work to our clients.

#### **Going concern**

Despite the loss in the year, at the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Therefore the directors continue to adopt the going concern basis of accounting in preparing the financial statements. This is further explained in Directors' Report page 4.

#### **Statement in compliance with section 172(1) of CA 2006 ("s172")**

The directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of our employees;
- the need to foster business relationships with our suppliers, customers and others;
- the impact of operations on our communities and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly across all members.

The directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls.

#### **Purpose**

We're a purpose-driven firm on a mission to help make 100m people financially secure. Stating our purpose in this way motivates us to keep working to increase our reach, influence and impact. It pushes us to innovate beyond what is possible today. Our purpose has meaningfully shaped our strategic choices over the past three years in line with reaching more beneficiaries within the United Kingdom ("UK"), as well as providing non-UK clients with investment advice and technology solutions through regional and global partners.

#### **Environmental, Social and Governance**

Alongside our financial goals, we're committed to being a leading adviser in the field of Responsible Investment. We believe there's little point in securing the financial futures of our beneficiaries unless there's a sustainable world for them to retire into. We're therefore working to integrate ESG into everything we do, which we acknowledge will evolve over time. We're dedicated to delivering ongoing independent research in this area, applying learnings to our own business and challenging asset managers to apply it to their businesses and investments, too. We'll continue to report on our progress, holistically.

# REDINGTON LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### **Stakeholders**

In considering their duty under s172, the directors have identified the following key stakeholders, in addition to shareholders:

- **Clients:** delivering successful outcomes to DB and DC Pension Funds in the UK, Private Wealth managers, Insurance Companies and other long-term savings institutions around the world. We work with these clients to understand their needs and help them achieve their goals and outcomes. We have regular client service reviews to monitor how we are doing.
- **Employees:** having a diverse workforce and inclusive work environment, with regular feedback and surveys to monitor progress internally and against industry benchmarks
- **Communities:** contributing to the financial security of our wider community, with the younger generation and our charitable activities
- **Environment:** considering long-term financial security alongside supporting the management of long-term issues, such as climate change

### **Key Decisions**

The key decisions made by the board during the year that have impacted these stakeholders include the following:

- **Phoenix transaction:** engaging with Phoenix and concluding this during the year as set out in more detail under Principal Activity.
- **Roadmap:** continuing our focus on profitability, whilst balancing this with culture and client service

A review of Business Performance, the impact of COVID-19 on Redington and Going Concern are set out above within the strategic report.

### **Charity and Corporate Social Responsibility ("CSR")**

Redington continues to support our financial education charitable venture, RedSTART Educate Charitable Incorporated Organisation ("RedSTART"), which has a mission to teach 1 million children to budget, save, invest and give back.

We offer three key products: Money Matters workshops for key stage 2 students; Moneyessentials for 14-18 year olds; and, Oak Bank which is a whole school reward scheme for primary schools based on a microeconomy where children earn 'Acorn money'. Over the last year, we have developed COVID-19 secure resources for school-delivered Money Weeks which work in tandem with the Money Matters workshops. Money Week 1 content has been piloted in 12 schools.

In addition, our charity committee, Redington Acorns, identifies opportunities for Redington employees to volunteer their time (whether during the working day or outside of it) or to use their skills and/or market reach to support initiatives for the benefit of society. Such initiatives cover a broad spectrum of society, from school children and inner-city youth to the elderly and the environment.

### **People**

Redington depends on its leadership team, management and its highly skilled and motivated workforce. The group monitors a range of people related metrics including staff turnover and reviews ways to retain and attract talent. We continue to develop and promote within the organisation, as well as sourcing skills externally. The group also runs well-established, and heavily over-subscribed, apprenticeship and graduate schemes.

## REDINGTON LIMITED

### STRATEGIC REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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##### ***Diversity & Inclusion***

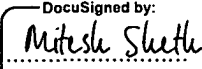
At Redington, our purpose is to help make 100 million people financially secure. That's 100 million different people, from different socioeconomic backgrounds, with different genders, ethnicities, sexualities, personality types, generations and religions, amongst others. We are committed to continuously improving our diversity across all characteristics. The current snapshot of our employee population as at financial year end was as follows, with industry and Office of National Statistics ("ONS") averages shown for comparison:

- 34% women/66% men (UK Financial Services Industry 43/57%)
- Women comprise 29% of senior employees (defined as Director level and above)
- 76% British/24% foreign nationals (ONS 91/9%)
- 60% white/30% Black, Asian, Minority Ethnic (BAME)/10% not disclosed (ONS 86/14%)

We continue to be proud of our Gender Pay Gap mean which has changed marginally from 2.2% in June 2019 to 4.9.% in June 2020.

We source apprentices each year from Investment 2020, Mayden Academy, Leadership Through Sport & Business, upReach and Ada College for Digital Skills. We are also members of the 30% Club, Diversity Project, Speakers for Schools, icanyoucantoo programme and work closely with The Return Hub, all of which we're using to expand our pool of candidates beyond the traditional recruitment channels.

On behalf of the board

DocuSigned by:  
  
M Sheth  
489F89C6F7ED401...  
**Director**

Date: 21 April 2021

# REDINGTON LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### Directors

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

|                 |                             |
|-----------------|-----------------------------|
| D J Bennett     |                             |
| R J Gardner     | (Resigned 18 February 2020) |
| L Georgs        |                             |
| D Konotey-Ahulu | (Resigned 18 February 2020) |
| K E Purves      | (Appointed 1 June 2020)     |
| M Sheth         |                             |
| P L Symes       | (Appointed 27 January 2021) |
| Z Taylor        |                             |

#### Results and dividends

The group's results for the year are set out on page 11.

The comparative reporting period was shortened in order to simplify reporting and ensure better alignment with procurement cycles. Therefore, comparative amounts presented in the financial statements (including the related notes) reflect the 8 month period ended 31 December 2019 and are not entirely comparable.

During the period, dividends of £300,913 (period ending 31 December 2019: £100,000) were paid. Subsequent to the period end, the directors did not recommend the payment of any dividends (31 December 2019: interim dividend totalling £65,000).

#### Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 1 to 3 within the Strategic Report. The financial position of the group, its billings, gross profit and profitability are described on pages 1 and 2. The main risks and uncertainties in the business, including the operational impact of COVID-19 and expected impact on the economy, along with the mitigation has been presented in Principal risks and uncertainties on pages 2.

Having considered the group's cash flows and liquidity position, and after reviewing the budgets and cash projections for the next twelve months and beyond, the directors believe that the group and the company have adequate resources to continue operations for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the financial statements.

#### Qualifying third party indemnity provisions

The group 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.

#### Auditor

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

#### Statement of disclosure to auditor

So far as each person who was a 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, each 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.



## REDINGTON LIMITED

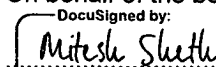
### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Information set out in the strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the fair review of the business, financial risk management, and the future developments of the business.

On behalf of the board

DocuSigned by:  


M-Sheth

Director

Date: 21 April 2021

## **REDINGTON LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The directors are responsible for preparing the Strategic Report and 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 period. 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 group and company, and of the profit or loss of the group and 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 applicable 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 REDINGTON LIMITED

---

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Redington Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Parent Company Statement of Financial Position, Consolidated and Parent Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 Group and the Parent 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

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

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

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

### 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

---

### **Other Companies Act 2006 reporting**

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.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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, 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 Group and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Parent 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.

### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to Redington Limited and the industry in which it operates and considered the risk of acts by the Group and Parent Company which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, UK tax legislation and FRS 102, and in addition other laws and regulations that may have a material effect on the financial statements including the permissions and supervisory requirements of the Financial Conduct Authority ('FCA').

We focused on laws and regulations that could give rise to a material misstatement in the financial statements.

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

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### Auditor's responsibilities for the audit of the financial statements (continued)

Our tests included, but were not limited to:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the directors;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- considering the effectiveness of the control environment in monitoring compliance with laws and regulations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

BDO LLP.

Elizabeth Hooper (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK

27 April 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**REDINGTON LIMITED****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

|   |              | <b>Year<br/>ended<br/>31 December<br/>2020<br/>£</b> | <b>8 month<br/>period ended<br/>31 December<br/>2019<br/>£</b> |
|---|--------------|--|--|
|   | <b>Notes</b> |  |  |
| <b>Turnover</b>                                       | <b>3</b>     | 26,482,491   | 16,487,100   |
| Administrative expenses                               |              | (26,280,850)   | (15,150,246)   |
| Exceptional costs                                     | <b>4</b>     | (1,855,190)  | -  |
| <b>Operating (loss)/profit</b>                        | <b>9</b>     | (1,653,549)  | 1,336,854  |
| Interest receivable and similar income                | <b>10</b>    | 5,979  | 8,344  |
| Interest payable and similar expenses                 | <b>11</b>    | (71,064)   | (68,285)   |
| <b>(Loss)/profit before taxation</b>                  |              | (1,718,634)  | 1,276,913  |
| Tax on (loss)/profit                                  | <b>12</b>    | 459,549  | (262,301)  |
| <b>(Loss)/profit for the financial year/period</b>    |              | (1,259,085)  | 1,014,612  |
| <b>Other comprehensive income net of taxation</b>     |              |  |  |
| Currency translation differences                      |              | 1,056  | -  |
| <b>Total comprehensive income for the year/period</b> |              | (1,258,029)  | 1,014,612  |

(Loss)/profit for the financial year/period is all attributable to the owners of the parent company.

The notes on pages 19 to 40 form part of these financial statements.

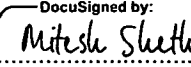
Company Registration No. 06660006

**REDINGTON LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

|  | Notes | 2020<br>£               | £ | 2019<br>£               | £ |
|--|-------|-------------------------|---|-------------------------|---|
| <b>Fixed assets</b>  |       |                         |   |                         |   |
| Intangible assets  | 14    | 1,898,219               |   | 1,408,129               |   |
| Tangible assets  | 15    | 78,737                  |   | 78,355                  |   |
|  |       | <u>1,976,956</u>        |   | <u>1,486,484</u>        |   |
| <b>Current assets</b>  |       |                         |   |                         |   |
| Debtors falling due after more than one year                   | 18    | 197,398                 |   | 227,767                 |   |
| Debtors falling due within one year                            | 18    | 6,400,396               |   | 4,412,888               |   |
| Cash at bank and in hand                                       |       | 8,290,638               |   | 3,481,903               |   |
|  |       | <u>14,888,432</u>       |   | <u>8,122,558</u>        |   |
| <b>Creditors: amounts falling due within one year</b>          | 19    | <u>(7,387,234)</u>      |   | <u>(5,591,055)</u>      |   |
| <b>Net current assets</b>                                      |       | <u>7,501,198</u>        |   | <u>2,531,503</u>        |   |
| <b>Total assets less current liabilities</b>                   |       | <u>9,478,154</u>        |   | <u>4,017,987</u>        |   |
| <b>Creditors: amounts falling due after more than one year</b> | 20    | <u>(1,787,887)</u>      |   | <u>(1,416,053)</u>      |   |
| <b>Provisions for liabilities</b>                              | 23    | <u>-</u>                |   | <u>(175,110)</u>        |   |
| <b>Net assets</b>  |       | <u><u>7,690,267</u></u> |   | <u><u>2,426,824</u></u> |   |
| <b>Capital and reserves</b>                                    |       |                         |   |                         |   |
| Called up share capital  | 26    | 280,721                 |   | 186,417                 |   |
| Share premium account  | 27    | 3,963,255               |   | 527,372                 |   |
| Capital redemption reserve                                     | 27    | 35,792                  |   | 35,792                  |   |
| Own shares held  | 27    | -                       |   | (1,465,662)             |   |
| Share-based payment reserve                                    | 27    | -                       |   | 641,562                 |   |
| Profit and loss reserves                                       | 27    | 3,410,499               |   | 2,501,343               |   |
| <b>Total equity</b>  |       | <u><u>7,690,267</u></u> |   | <u><u>2,426,824</u></u> |   |

The notes on pages 19 to 40 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 21 April 2021 and are signed on its behalf by:

DocuSigned by:  
  
 M Sheth  
 Director

**REDINGTON LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

|  | Notes | 2020<br>£   | £ | 2019<br>£   | £ |
|--|-------|-------------|---|-------------|---|
| <b>Fixed assets</b>  |       |             |   |             |   |
| Intangible assets  | 14    | 1,898,219   |   | 1,408,129   |   |
| Tangible assets  | 15    | 72,893      |   | 68,976      |   |
| Investments  | 16    | -           |   | 347,665     |   |
|  |       | 1,971,112   |   | 1,824,770   |   |
| <b>Current assets</b>  |       |             |   |             |   |
| Debtors falling due after more than one year                   | 18    | 197,398     |   | 227,767     |   |
| Debtors falling due within one year                            | 18    | 6,285,399   |   | 5,063,944   |   |
| Cash at bank and in hand                                       |       | 8,244,218   |   | 3,460,414   |   |
|  |       | 14,727,015  |   | 8,752,125   |   |
| <b>Creditors: amounts falling due within one year</b>          | 19    | (7,279,415) |   | (5,560,063) |   |
| <b>Net current assets</b>                                      |       | 7,447,600   |   | 3,192,062   |   |
| <b>Total assets less current liabilities</b>                   |       | 9,418,712   |   | 5,016,832   |   |
| <b>Creditors: amounts falling due after more than one year</b> | 20    | (1,787,887) |   | (1,416,053) |   |
| <b>Provisions for liabilities</b>                              | 23    | -           |   | (175,110)   |   |
| <b>Net assets</b>  |       | 7,630,825   |   | 3,425,669   |   |
| <b>Capital and reserves</b>                                    |       |             |   |             |   |
| Called up share capital  | 26    | 280,721     |   | 186,417     |   |
| Share premium account  | 27    | 3,963,255   |   | 527,372     |   |
| Capital redemption reserve                                     | 27    | 35,792      |   | 35,792      |   |
| Own shares held  | 27    | -           |   | (1,465,662) |   |
| Share-based payment reserve                                    | 27    | -           |   | 641,562     |   |
| Profit and loss reserves                                       | 27    | 3,351,057   |   | 3,500,188   |   |
| <b>Total equity</b>  |       | 7,630,825   |   | 3,425,669   |   |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £2,316,316 (2019 - £1,465,410 profit).

The financial statements were approved by the board of directors and authorised for issue on 21 April 2021 and are signed on its behalf by:

DocuSigned by:

Mitesh Sheth

M SHETH

Director



## REDINGTON LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | Notes | Share capital<br>£ | Share premium account<br>£ | Capital redemption reserve<br>£ | Own shares held<br>£ | Share-based payment reserve<br>£ | Profit and loss reserves<br>£ | Total<br>£ |
|--|-------|--------------------|----------------------------|---------------------------------|----------------------|----------------------------------|-------------------------------|------------|
| <b>Balance at 1 May 2019</b>                         |       | 222,209            | 527,372                    | -                               | (944,097)            | 221,350                          | 1,499,700                     | 1,526,534  |
| <b>Period ended 31 December 2019:</b>                |       |                    |                            |                                 |                      |                                  |                               |            |
| Profit and total comprehensive income for the period |       | -                  | -                          | -                               | -                    | -                                | 1,014,612                     | 1,014,612  |
| <b>Transactions with owners of the company</b>       |       |                    |                            |                                 |                      |                                  |                               |            |
| Dividends  | 13    | -                  | -                          | -                               | -                    | -                                | (100,000)                     | (100,000)  |
| Options vested in the period                         |       | -                  | -                          | -                               | -                    | (87,031)                         | 87,031                        | -          |
| Own shares acquired                                  |       | -                  | -                          | -                               | (521,565)            | -                                | -                             | (521,565)  |
| Redemption of shares                                 | 26    | (35,792)           | -                          | 35,792                          | -                    | -                                | -                             | -          |
| Share-based payments                                 |       | -                  | -                          | -                               | -                    | 507,243                          | -                             | 507,243    |
| <b>Total transactions with owners of the company</b> |       | (35,792)           | -                          | 35,792                          | (521,565)            | 420,212                          | (12,969)                      | (114,322)  |
| <b>Balance at 31 December 2019</b>                   |       | 186,417            | 527,372                    | 35,792                          | (1,465,662)          | 641,562                          | 2,501,343                     | 2,426,824  |

# REDINGTON LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

|  | Notes | Share capital<br>£ | Share premium account<br>£ | Capital redemption reserve<br>£ | Own shares held<br>£ | Share-based payment reserve<br>£ | Profit and loss reserves<br>£ | Total<br>£  |
|--|-------|--------------------|----------------------------|---------------------------------|----------------------|----------------------------------|-------------------------------|-------------|
| <b>Balance at 1 January 2020</b>                     |       | 186,417            | 527,372                    | 35,792                          | (1,465,662)          | 641,562                          | 2,501,343                     | 2,426,824   |
| <b>Year ended 31 December 2020:</b>                  |       |                    |                            |                                 |                      |                                  |                               |             |
| Loss for the year                                    |       | -                  | -                          | -                               | -                    | -                                | (1,259,085)                   | (1,259,085) |
| Other comprehensive income net of taxation:          |       |                    |                            |                                 |                      |                                  |                               |             |
| Currency translation differences                     |       | -                  | -                          | -                               | -                    | -                                | 1,056                         | 1,056       |
| <b>Total comprehensive income for the year</b>       |       | -                  | -                          | -                               | -                    | -                                | (1,258,029)                   | (1,258,029) |
| <b>Transactions with owners of the company</b>       |       |                    |                            |                                 |                      |                                  |                               |             |
| Issue of share capital                               | 26    | 94,304             | 4,850,487                  | -                               | -                    | -                                | -                             | 4,944,791   |
| Dividends  | 13    | -                  | -                          | -                               | -                    | -                                | (300,913)                     | (300,913)   |
| Options vested in the year                           |       | -                  | -                          | -                               | -                    | (2,468,098)                      | 2,468,098                     | -           |
| Share-based payments                                 |       | -                  | -                          | -                               | -                    | 1,826,536                        | -                             | 1,826,536   |
| Reduction of own shares held                         |       | -                  | (1,414,604)                | -                               | 1,465,662            | -                                | -                             | 51,058      |
| <b>Total transactions with owners of the company</b> |       | 94,304             | 3,435,883                  | -                               | 1,465,662            | (641,562)                        | 2,167,185                     | 6,521,472   |
| <b>Balance at 31 December 2020</b>                   |       | 280,721            | 3,963,255                  | 35,792                          | -                    | -                                | 3,410,499                     | 7,690,267   |

## REDINGTON LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

|  | Share<br>capital | Share<br>premium<br>account | Capital<br>redemption<br>reserve | Own<br>shares<br>held | Share-<br>based<br>payment<br>reserve | Profit and<br>loss<br>reserves | Total     |
|--|------------------|-----------------------------|----------------------------------|-----------------------|---------------------------------------|--------------------------------|-----------|
| Notes  | £                | £                           | £                                | £                     | £                                     | £                              | £         |
| <b>Balance at 1 May 2019</b>                         | 222,209          | 527,372                     | -                                | (944,097)             | 221,350                               | 2,047,747                      | 2,074,581 |
| <b>Period ended 31 December 2019:</b>                |                  |                             |                                  |                       |                                       |                                |           |
| Profit and total comprehensive income for the period | -                | -                           | -                                | -                     | -                                     | 1,465,410                      | 1,465,410 |
| <b>Transactions with owners of the company</b>       |                  |                             |                                  |                       |                                       |                                |           |
| Dividends  | 13               | -                           | -                                | -                     | -                                     | (100,000)                      | (100,000) |
| Options vested in the period                         |                  | -                           | -                                | -                     | (87,031)                              | 87,031                         | -         |
| Own shares acquired                                  |                  | -                           | -                                | (521,565)             | -                                     | -                              | (521,565) |
| Redemption of shares                                 | 26               | (35,792)                    | -                                | 35,792                | -                                     | -                              | -         |
| Share-based payments                                 |                  | -                           | -                                | -                     | 507,243                               | -                              | 507,243   |
| <b>Total transactions with owners of the company</b> |                  | (35,792)                    | -                                | (521,565)             | 420,212                               | (12,969)                       | (114,322) |
| <b>Balance at 31 December 2019</b>                   |                  | 186,417                     | 527,372                          | 35,792                | (1,465,662)                           | 641,562                        | 3,425,669 |

# REDINGTON LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

|  | Notes | Share capital<br>£ | Share premium account<br>£ | Capital redemption reserve<br>£ | Own shares held<br>£ | Share-based payment reserve<br>£ | Profit and loss reserves<br>£ | Total<br>£  |
|--|-------|--------------------|----------------------------|---------------------------------|----------------------|----------------------------------|-------------------------------|-------------|
| <b>Balance at 1 January 2020</b>                     |       | 186,417            | 527,372                    | 35,792                          | (1,465,662)          | 641,562                          | 3,500,188                     | 3,425,669   |
| <b>Year ended 31 December 2020:</b>                  |       |                    |                            |                                 |                      |                                  |                               |             |
| Loss and total comprehensive income for the year     |       | -                  | -                          | -                               | -                    | -                                | (2,316,316)                   | (2,316,316) |
| <b>Transactions with owners of the company</b>       |       |                    |                            |                                 |                      |                                  |                               |             |
| Issue of share capital                               | 26    | 94,304             | 4,850,487                  | -                               | -                    | -                                | -                             | 4,944,791   |
| Dividends  | 13    | -                  | -                          | -                               | -                    | -                                | (300,913)                     | (300,913)   |
| Options vested in the year                           |       | -                  | -                          | -                               | -                    | (2,468,098)                      | 2,468,098                     | -           |
| Share-based payments                                 |       | -                  | -                          | -                               | -                    | 1,826,536                        | -                             | 1,826,536   |
| Reduction of own shares held                         |       | -                  | (1,414,604)                | -                               | 1,465,662            | -                                | -                             | 51,058      |
| <b>Total transactions with owners of the company</b> |       | 94,304             | 3,435,883                  | -                               | 1,465,662            | (641,562)                        | 2,167,185                     | 6,521,472   |
| <b>Balance at 31 December 2020</b>                   |       | 280,721            | 3,963,255                  | 35,792                          | -                    | -                                | 3,351,057                     | 7,630,825   |

**REDINGTON LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

|   | Notes | 2020<br>£          | £ | 2019<br>£        | £ |
|---|-------|--------------------|---|------------------|---|
| <b>Cash flows from operating activities</b>                   |       |                    |   |                  |   |
| Cash generated from operations                                | 28    | 2,443,111          |   | 1,397,660        |   |
| Interest paid   |       | (71,064)           |   | (68,285)         |   |
| Income taxes paid   |       | (63,171)           |   | (754)            |   |
| <b>Net cash inflow from operating activities</b>              |       | <b>2,308,876</b>   |   | <b>1,328,621</b> |   |
| <b>Investing activities</b>                                   |       |                    |   |                  |   |
| Purchase of intangible assets                                 | 14    | (1,227,909)        |   | (760,067)        |   |
| Purchase of tangible fixed assets                             | 15    | (33,620)           |   | (68,345)         |   |
| Interest received   | 10    | 5,979              |   | 8,344            |   |
| <b>Net cash used in investing activities</b>                  |       | <b>(1,255,550)</b> |   | <b>(820,068)</b> |   |
| <b>Financing activities</b>                                   |       |                    |   |                  |   |
| Proceeds from issue of shares                                 |       | 4,944,791          |   | -                |   |
| Purchase of own shares  |       | -                  |   | (521,565)        |   |
| Reduction of own shares                                       |       | 51,058             |   | -                |   |
| Movement in loans from directors                              |       | -                  |   | (61,604)         |   |
| (Repayment)/draw down of borrowings                           |       | (928,513)          |   | 6,981            |   |
| Finance lease obligations                                     |       | (11,575)           |   | (12,535)         |   |
| Dividends paid to equity shareholders                         |       | (300,913)          |   | (100,000)        |   |
| <b>Net cash generated from/(used in) financing activities</b> |       | <b>3,754,848</b>   |   | <b>(688,723)</b> |   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   |       | <b>4,808,174</b>   |   | <b>(180,170)</b> |   |
| Cash and cash equivalents at beginning of year/period         |       | 3,481,903          |   | 3,662,073        |   |
| Effect of foreign exchange rates                              |       | 561                |   | -                |   |
| <b>Cash and cash equivalents at end of year/period</b>        |       | <b>8,290,638</b>   |   | <b>3,481,903</b> |   |

# REDINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

Redington Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 55 Baker Street, London W1U 7EU.

The group consists of Redington Limited and all of its subsidiaries (the 'group').

The company's and the group's principal activities and nature of its operations are disclosed in the Strategic 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" and the requirements of the Companies Act 2006 including the provisions relating to Large and Medium companies and Group (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 £1, except where otherwise indicated.

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

#### Reduced disclosures

The company has taken advantage of the exemption from disclosing the following information in its company only financial statements, as permitted by the reduced disclosure regime within FRS 102:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- 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; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated within these financial statements which are publicly available from Companies House.

As permitted by s408 Companies Act 2006, no separate profit and loss account of the company is presented as it prepares group accounts and the company's individual statement of financial position shows the company's profit and loss for the financial year.

#### Basis of consolidation

The consolidated financial statements incorporate those of Redington Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the period are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

# REDINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 1 to 3 within the Strategic Report. The financial position of the group, its billings, gross profit and profitability are described on pages 1 and 2. The main risks and uncertainties in the business, including the operational impact of COVID-19 and expected impact on the economy, along with the mitigation has been presented in Principal risks and uncertainties on pages 2.

Having considered the group's cash flows and liquidity position, and after reviewing the budgets and cash projections for the next twelve months and beyond, the directors believe that the group and the company have adequate resources to continue operations for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the financial statements.

#### Reporting period

The comparative reporting period was shortened in order to simplify reporting and ensure better alignment with procurement cycles. Therefore, comparative amounts presented in the financial statements (including the related notes) reflect the 8 month period ended 31 December 2019 and are not entirely comparable.

#### Turnover

Turnover is measured at the fair value of the right to consideration and represents amounts receivable for services provided in the normal course of business, net of discounts and VAT. The value of services is recognised on an accrued basis rather than when invoiced.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Other operating income relates to management recharges from a group undertaking.

#### 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.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

# REDINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies (Continued)

#### **Development costs**

Internally-generated software development costs qualify for capitalisation when the group can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The existence of a market or, if it is to be used internally, the usefulness of the intangible asset;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- Its ability to measure reliably the expenditure attributable to the intangible asset during development.

The direct costs relating to employee time and contractor costs are capitalised to the products and associated projects over the period of software development and stops once the new product, or significant release of new features and functionality, is available for use by the end user.

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:

|                               |              |
|-------------------------------|--------------|
| Capitalised development costs | 25% - 33.33% |
| Software licences             | 33.33%       |

#### **Tangible fixed assets**

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

Depreciation 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:

|                       |        |
|-----------------------|--------|
| Fixtures and fittings | 25%    |
| Computers             | 33.33% |

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.

#### **Investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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

At each reporting period end date, the group 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.



# REDINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

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, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Financial instruments**

The group 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 group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 cash and bank balances, 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.

#### **Other financial assets**

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

# REDINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

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

Financial assets, other than those held at fair value through profit and loss, 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***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 group 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 group after deducting all of its liabilities.

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

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

#### ***Other financial liabilities***

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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 group after deducting all of its liabilities.

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

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

# REDINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

#### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs.

#### **Own shares**

The fair value of consideration given for shares repurchased by the company is deducted from equity.

#### **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 period. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

#### **Deferred tax**

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.

Deferred tax is recognised on income and expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement benefits**

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

# REDINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

#### Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### 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 assets 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 profit or loss 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 leased asset are consumed.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### Dividends

Dividends payable on equity instruments are recognised when they become legally payable.

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****2 Judgements and key sources of estimation uncertainty**

In the application of the group'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.

All accounting estimates and judgements used in the preparation of these financial statements are discussed in the relevant accounting policies included within note 1.

**Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

***Equity-settled share options***

In relation to equity-settled remuneration schemes, employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of grant. The fair value of share options is estimated by using valuation models, such as Black-Scholes, on the date of grant based on certain assumptions.

***Capitalisation of development expenditure***

Management has to make judgements as to whether development expenditure has met the criteria for capitalisation or whether it should be expensed in the year. Development expenditure is capitalised only after its reliable measurement, technical feasibility and commercial viability can be demonstrated.

***Impairment of investments***

The company makes an estimate of the recoverable value of its investments. When assessing the impairment of investments, management considers whether the carrying amount of the investment exceeds its recoverable amount, and whether an impairment loss needs to be recognised in order to reflect the recoverable amount.

**3 Turnover and other revenue**

An analysis of the group's turnover is as follows:

|   | <b>Year ended<br/>31 December<br/>2020<br/>£</b> | <b>Period ended<br/>31 December<br/>2019<br/>£</b> |
|---|--|--|
| <b>Turnover analysed by class of business</b> |  |  |
| Pensions                                      | 18,031,908                                       | 11,810,718   |
| Global Assets                                 | 7,376,105  | 4,070,583  |
| Technology                                    | 1,074,478  | 605,799  |
|   | <u>26,482,491</u>                                | <u>16,487,100</u>                                  |

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 Turnover and other revenue (Continued)**

|   | <b>Year ended<br/>31 December<br/>2020<br/>£</b> | <b>Period ended<br/>31 December<br/>2019<br/>£</b> |
|---|--|--|
| <b>Turnover analysed by geographical market</b> |  |  |
| UK  | 25,502,562                                       | 15,925,367   |
| Europe  | 696,826  | 284,187  |
| Other   | 283,103  | 277,546  |
|   | <u>26,482,491</u>                                | <u>16,487,100</u>                                  |

**4 Exceptional costs**

|                                    | <b>Year ended<br/>31 December<br/>2020<br/>£</b> | <b>Period ended<br/>31 December<br/>2019<br/>£</b> |
|------------------------------------|--|--|
| One-off group reorganisation costs | <u>1,855,190</u>                                 | <u>-</u>   |

During the year, the company incurred one-off employment costs of £1,047,092 and legal and professional costs of £808,098 in relation to the group reorganisation and private equity backing from Phoenix Equity Partners.

**5 Directors' remuneration**

|   | <b>Year ended<br/>31 December<br/>2020<br/>£</b> | <b>Period ended<br/>31 December<br/>2019<br/>£</b> |
|---|--|--|
| Remuneration for qualifying services                          | 1,388,302  | 805,328  |
| Company pension contributions to defined contribution schemes | 37,581   | 25,968   |
|   | <u>1,425,883</u>                                 | <u>831,296</u>                                     |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (period ended 31 December 2019: 4).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

|   | <b>Year ended<br/>31 December<br/>2020<br/>£</b> | <b>Period ended<br/>31 December<br/>2019<br/>£</b> |
|---|--|--|
| Remuneration for qualifying services                          | 424,858  | 331,797  |
| Company pension contributions to defined contribution schemes | 12,479   | 12,933   |
|   | <u></u>  | <u></u>  |

During the period, no directors (period ended 31 December 2019: 4) were granted share options under equity-settled share-based remuneration schemes.

# REDINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Employees

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

|  | Group                                       |   | Company                                     |   |
|--|---|---|---|---|
|  | Year ended<br>31 December<br>2020<br>Number | Period ended<br>31 December<br>2019<br>Number | Year ended<br>31 December<br>2020<br>Number | Period ended<br>31 December<br>2019<br>Number |
| Sales and client delivery                              | 134   | 105   | 130   | 99  |
| Corporate functions, people,<br>marketing & technology | 63  | 51  | 55  | 46  |
|  | <u>197</u>                                  | <u>156</u>                                    | <u>185</u>                                  | <u>145</u>                                    |

Their aggregate remuneration comprised:

|                           |       | Group                                  |  | Company                                |  |
|---------------------------|-------|--|--|--|--|
|                           |       | Year ended<br>31 December<br>2020<br>£ | Period ended<br>31 December<br>2019<br>£ | Year ended<br>31 December<br>2020<br>£ | Period ended<br>31 December<br>2019<br>£ |
|                           | Notes |  |  |  |  |
| Wages and salaries        |       | 14,273,749                             | 10,108,560                               | 13,740,437                             | 9,717,364                                |
| Social security costs     |       | 880,310                                | 773,085                                  | 826,915                                | 710,466                                  |
| Pension and related costs | 25    | 885,404                                | 593,838                                  | 879,997                                | 576,709                                  |
| Share-based payments      |       | 1,826,536                              | 507,243                                  | 1,826,536                              | 507,243                                  |
|                           |       | <u>17,865,999</u>                      | <u>11,982,726</u>                        | <u>17,273,885</u>                      | <u>11,511,782</u>                        |

### 7 Share-based payment transactions

Redington Limited operated an equity-settled share-based remuneration scheme for employees over Ordinary Shares during the year. During the prior period there were two schemes with one other over class A to H Growth Shares. The scheme over class A to H Growth Shares ended during the prior period, as the shares were redeemed or re-designated as Ordinary Shares.

All of the shares in the Ordinary Shares scheme were vested in the year due to the change of control in the company (see note 32). Vesting conditions include (but are not limited to) the occurrence of specified events: an Admission to a stock exchange, a Change of Control, a Takeover, a Sale, and the passage of time (nine years and nine months from the Date of Grant).

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****7 Share-based payment transactions (Continued)****Group and company**

| <b>EMI options over Ordinary Shares</b> | <b>Number of share options</b>     |                                      | <b>Weighted average exercise price</b> |                                      |
|---|------------------------------------|--------------------------------------|--|--------------------------------------|
|   | <b>Year ended 31 December 2020</b> | <b>Period ended 31 December 2019</b> | <b>Year ended 31 December 2020</b>     | <b>Period ended 31 December 2019</b> |
|   | <b>Number</b>                      | <b>Number</b>                        | <b>p</b>                               | <b>p</b>                             |
| Outstanding at 1 January 2020           | 11,681,422                         | 1,902,508                            | 42.81                                  | 11.10                                |
| Granted                                 | -                                  | 9,778,914                            | -                                      | 48.98                                |
| Vested                                  | (11,681,422)                       | -                                    | 42.81                                  | -                                    |
| Outstanding at 31 December 2020         | -                                  | 11,681,422                           | -                                      | 42.81                                |

No options were outstanding at the year end, resulting in the weighted average exercise price being £Nil (period ended 31 December 2019: 42.81p) and the weighted average contractual life being Nil years (period ended 31 December 2019: 4.34 years). The expected volatility was Nil (period ended 31 December 2019: 17.40%) and the risk-free interest rate was Nil (period ended 31 December 2019: 0.61%). There are no future dividends expected. For the period ended 31 December 2019, the exercise price of options outstanding ranged from 6p to 59p.

The weighted average fair value of options granted in the prior period was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

Due to the fact that all of the shares were vested in the year, the company recognised much higher total share-based payment expenses of £1,826,536 (period ended 31 December 2019: £440,994) which related to equity-settled share-based payment transactions in Ordinary Shares.

| <b>EMI options over class A to H Growth Shares</b> | <b>Number of share options</b>     |                                      | <b>Weighted average exercise price</b> |                                      |
|--|------------------------------------|--------------------------------------|--|--------------------------------------|
|  | <b>Year ended 31 December 2020</b> | <b>Period ended 31 December 2019</b> | <b>Year ended 31 December 2020</b>     | <b>Period ended 31 December 2019</b> |
|  | <b>Number</b>                      | <b>Number</b>                        | <b>p</b>                               | <b>p</b>                             |
| Outstanding at 1 January 2020                      | -                                  | 34,227,415                           | -                                      | 1.00                                 |
| Waived/Replaced                                    | -                                  | (34,119,467)                         | -                                      | 1.00                                 |
| Exercised  | -                                  | -                                    | -                                      | -                                    |
| Expired  | -                                  | (107,948)                            | -                                      | 1.00                                 |
| Outstanding at 31 December 2020                    | -                                  | -                                    | -                                      | -                                    |



**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****7 Share-based payment transactions (Continued)**

No options were outstanding at the year end, resulting in the weighted average exercise price being £Nil (period ended 31 December 2019: £Nil) and the weighted average contractual life being Nil years (period ended 31 December 2019: Nil years). The expected volatility was Nil (period ended 31 December 2019: Nil) and there was no risk-free interest rate on the options. There are no future dividends expected.

The weighted average fair value of any options granted is determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

During the period, the company recognised total share-based payment expenses of £Nil (period ended 31 December 2019: £66,249) which related to equity-settled share-based payment transactions on A to H Growth Shares.

**8 Auditor's remuneration**

|  | Year ended<br>31 December<br>2020 | Period ended<br>31 December<br>2019 |
|--|-----------------------------------|-------------------------------------|
|  | £                                 | £                                   |
| Fees payable to the company's auditor and its associates:  |                                   |                                     |
| <b>For audit services</b>                                  |                                   |                                     |
| Audit of the financial statements of the group and company | 40,719                            | 32,224                              |
| <b>For other services</b>                                  |                                   |                                     |
| Taxation compliance services                               | 31,520                            | 61,998                              |
| All other non-audit services                               | 2,120                             | 6,427                               |
|  | <u>33,640</u>                     | <u>68,425</u>                       |

**9 Operating (loss)/profit**

|  | Year ended<br>31 December<br>2020 | Period ended<br>31 December<br>2019 |
|--|-----------------------------------|-------------------------------------|
|  | £                                 | £                                   |
| Operating (loss)/profit for the period is stated after charging/(crediting): |                                   |                                     |
| Exchange (gains)/losses  | (2,486)                           | 11,169                              |
| Depreciation of owned tangible fixed assets                                  | 33,733                            | 18,105                              |
| Depreciation of tangible fixed assets held under finance leases              | -                                 | 4,281                               |
| Amortisation of owned intangible assets                                      | 726,239                           | 266,844                             |
| Amortisation of intangible assets held under finance leases                  | 11,580                            | 7,719                               |
| Share-based payments   | 1,826,536                         | 507,243                             |
| Operating lease charges  | <u>1,755,742</u>                  | <u>1,150,059</u>                    |

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****10 Interest receivable and similar income**

|                           | Year ended<br>31 December<br>2020<br>£ | Period ended<br>31 December<br>2019<br>£ |
|---------------------------|--|--|
| <b>Interest income</b>    |  |  |
| Interest on bank deposits | 5,979                                  | 8,344                                    |

**11 Interest payable and similar expenses**

|                                       | Year ended<br>31 December<br>2020<br>£ | Period ended<br>31 December<br>2019<br>£ |
|---------------------------------------|--|--|
| Interest on bank overdrafts and loans | 71,064                                 | 68,285                                   |

**12 Taxation**

|  | Year ended<br>31 December<br>2020<br>£ | Period ended<br>31 December<br>2019<br>£ |
|--|--|--|
| <b>Current tax</b>                                     |  |  |
| UK corporation tax on profits for the current period   | (176,381)                              | 212,650                                  |
| Adjustments in respect of prior periods                | (113,190)                              | (53,147)                                 |
| Total UK current tax                                   | (289,571)                              | 159,503                                  |
| Foreign current tax on profits for the current period  | 132                                    | 754                                      |
| Adjustments in foreign tax in respect of prior periods | 5,000                                  | -  |
| Total current tax                                      | (284,439)                              | 160,257                                  |
| <b>Deferred tax</b>                                    |  |  |
| Origination and reversal of timing differences         | (178,492)                              | 77,268                                   |
| Changes in tax rates                                   | 18,789                                 | -  |
| Adjustment in respect of prior periods                 | (15,407)                               | 24,776                                   |
| Total deferred tax                                     | (175,110)                              | 102,044                                  |
| Total tax (credit)/charge                              | (459,549)                              | 262,301                                  |

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These included reductions to the main tax rate, to reduce to 17% from 1 April 2020. On 11 March 2020, it was announced as part of the Chancellor's Budget 2020, that the corporation tax rates would no longer be reduced, and would remain at 19%. Deferred taxes have been measured using the substantively enacted tax rates at the balance sheet date.

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****12 Taxation (Continued)**

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

|   | <b>Year ended<br/>31 December<br/>2020</b> | <b>Period ended<br/>31 December<br/>2019</b> |
|---|--|--|
|   | <b>£</b>                                   | <b>£</b>                                     |
| (Loss)/profit before taxation   | (1,718,634)                                | 1,276,913                                    |
| Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | (326,540)                                  | 242,613                                      |
| Tax effect of expenses that are not deductible in determining taxable profit                                  | 828,925                                    | 214,439                                      |
| Adjustments in respect of prior years   | (108,190)                                  | (53,147)                                     |
| Effect of change in corporation tax rate  | -  | (9,054)                                      |
| Other permanent differences   | (3,134,334)                                | -  |
| Deferred tax adjustments in respect of prior years  | (15,407)                                   | 24,776                                       |
| Losses carried back   | 58,039                                     | -  |
| R&D enhanced relief   | (231,121)                                  | (157,326)                                    |
| Surrender of tax losses for R&D tax credit refund   | 54,740                                     | -  |
| Effect of change in deferred tax rate   | 18,789                                     | -  |
| Deferred tax not recognised   | 2,395,550                                  | -  |
| Taxation (credit)/charge  | (459,549)                                  | 262,301                                      |

**13 Dividends**

|                                     | <b>Year ended<br/>31 December<br/>2020</b> | <b>Period ended<br/>31 December<br/>2019</b> |
|-------------------------------------|--|--|
|                                     | <b>£</b>                                   | <b>£</b>                                     |
| Final paid in respect of prior year | 235,913                                    | -  |
| Interim paid                        | 65,000                                     | 100,000                                      |
|                                     | 300,913                                    | 100,000                                      |

The proposed final dividend for the year ended 31 December 2020 is:

|                         | <b>Year ended<br/>31 December<br/>2020</b> | <b>Period ended<br/>31 December<br/>2019</b> |
|-------------------------|--|--|
|                         | <b>Total<br/>£</b>                         | <b>Total<br/>£</b>                           |
| Ordinary shares         | -  | 300,729                                      |
| Ordinary founder shares | -  | 184  |

Subsequent to the period end, the directors recommended the payment of an interim dividend totalling £Nil (period ended 31 December 2019: £65,000) and a final dividend totalling £Nil (period ended 31 December 2019: £235,913).

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****14 Intangible fixed assets**

| <b>Group and Company</b>           | <b>Capitalised<br/>development<br/>costs</b> | <b>Software<br/>licences</b> | <b>Total</b>     |
|------------------------------------|--|------------------------------|------------------|
|                                    | <b>£</b>                                     | <b>£</b>                     | <b>£</b>         |
| <b>Cost</b>                        |  |                              |                  |
| At 1 January 2020                  | 1,855,994                                    | 34,727                       | 1,890,721        |
| Additions                          | 1,227,909                                    | -                            | 1,227,909        |
|                                    | <u>3,083,903</u>                             | <u>34,727</u>                | <u>3,118,630</u> |
| At 31 December 2020                |  |                              |                  |
| <b>Amortisation and impairment</b> |  |                              |                  |
| At 1 January 2020                  | 462,331                                      | 20,261                       | 482,592          |
| Amortisation charged for the year  | 726,239                                      | 11,580                       | 737,819          |
|                                    | <u>1,188,570</u>                             | <u>31,841</u>                | <u>1,220,411</u> |
| At 31 December 2020                |  |                              |                  |
| <b>Carrying amount</b>             |  |                              |                  |
| At 31 December 2020                | 1,895,333                                    | 2,886                        | 1,898,219        |
|                                    | <u>1,393,663</u>                             | <u>14,466</u>                | <u>1,408,129</u> |
| At 31 December 2019                |  |                              |                  |

The net carrying value of intangible fixed assets held under finance leases is £2,886 (2019: £14,466) and in the period, amortisation of £11,580 (2019: £7,719) has been charge in respect of these assets.

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****15 Tangible fixed assets**

| <b>Group</b>                       | <b>Fixtures and fittings<br/>£</b> | <b>Computers<br/>£</b> | <b>Total<br/>£</b> |
|------------------------------------|------------------------------------|------------------------|--------------------|
| <b>Cost</b>                        |                                    |                        |                    |
| At 1 January 2020                  | 191,770                            | 482,382                | 674,152            |
| Additions                          | 23,788                             | 9,832                  | 33,620             |
| Exchange adjustments               | -                                  | 465                    | 465                |
| At 31 December 2020                | 215,558                            | 492,679                | 708,237            |
| <b>Depreciation and impairment</b> |                                    |                        |                    |
| At 1 January 2020                  | 146,895                            | 448,902                | 595,797            |
| Depreciation charged in the year   | 18,735                             | 14,998                 | 33,733             |
| Exchange adjustments               | -                                  | (30)                   | (30)               |
| At 31 December 2020                | 165,630                            | 463,870                | 629,500            |
| <b>Carrying amount</b>             |                                    |                        |                    |
| At 31 December 2020                | 49,928                             | 28,809                 | 78,737             |
| At 31 December 2019                | 44,875                             | 33,480                 | 78,355             |
| <b>Company</b>                     | <b>Fixtures and fittings<br/>£</b> | <b>Computers<br/>£</b> | <b>Total<br/>£</b> |
| <b>Cost</b>                        |                                    |                        |                    |
| At 1 January 2020                  | 191,770                            | 469,420                | 661,190            |
| Additions                          | 23,788                             | 9,832                  | 33,620             |
| At 31 December 2020                | 215,558                            | 479,252                | 694,810            |
| <b>Depreciation and impairment</b> |                                    |                        |                    |
| At 1 January 2020                  | 146,895                            | 445,319                | 592,214            |
| Depreciation charged in the year   | 18,735                             | 10,968                 | 29,703             |
| At 31 December 2020                | 165,630                            | 456,287                | 621,917            |
| <b>Carrying amount</b>             |                                    |                        |                    |
| At 31 December 2020                | 49,928                             | 22,965                 | 72,893             |
| At 31 December 2019                | 44,875                             | 24,101                 | 68,976             |

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****16 Fixed asset investments**

| <b>Company</b>                              | <b>Notes</b> | <b>2020<br/>£</b> | <b>2019<br/>£</b>                                      |
|---|--------------|-------------------|--|
| Investments in subsidiaries                 | 17           | -                 | 347,665  |
| <b>Movements in fixed asset investments</b> |              |                   | <b>Investments in<br/>group<br/>undertakings<br/>£</b> |
| <b>Cost or valuation</b>                    |              |                   |  |
| At 1 January 2020                           |              |                   | 347,665  |
| Additions                                   |              |                   | 451,000  |
| At 31 December 2020                         |              |                   | 798,665  |
| <b>Impairment</b>                           |              |                   |  |
| At 1 January 2020                           |              |                   | -  |
| Impairment losses                           |              |                   | 798,665  |
| At 31 December 2020                         |              |                   | 798,665  |
| <b>Carrying amount</b>                      |              |                   |  |
| At 31 December 2020                         |              |                   | -  |
| At 31 December 2019                         |              |                   | 347,665  |

In 2018, the company incorporated a subsidiary undertaking, Yuyuan Technology (Shanghai) Limited, in China.

The company continued to support the subsidiary through capital investments this year. Due to the loss-making position of the subsidiary, during the year, the company has impaired both the investment and the intercompany debtor due from the subsidiary, to £Nil.

**17 Subsidiaries**

Details of the company's subsidiaries at 31 December 2020 are as follows:

| <b>Name of undertaking</b>           | <b>Registered office</b>   | <b>Nature of business</b>                   | <b>Class of shares held</b> | <b>% Held Direct</b> |
|--------------------------------------|--|---|-----------------------------|----------------------|
| Yuyuan Technology (Shanghai) Limited | Second Floor, Sino Life Tower, 707 Zhangyang Road, Shanghai, 200085, China | Software development and software licensing | N/A                         | 100                  |

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****18 Debtors**

|  | <b>Group</b>     |                  | <b>Company</b>   |                  |
|--|------------------|------------------|------------------|------------------|
|  | <b>2020</b>      | <b>2019</b>      | <b>2020</b>      | <b>2019</b>      |
|  | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| <b>Amounts falling due within one year:</b>          |                  |                  |                  |                  |
| Trade debtors  | 3,136,297        | 3,371,218        | 3,025,649        | 3,323,813        |
| Corporation tax recoverable                          | 234,420          | -                | 234,420          | -                |
| Amounts owed by group undertakings                   | -                | -                | 10,431           | 704,405          |
| Amounts owed by parent company                       | 1,795,861        | -                | 1,795,861        | -                |
| Other debtors  | 23,970           | 76,449           | 10,567           | 71,211           |
| Prepayments and accrued income                       | 1,209,848        | 965,221          | 1,208,471        | 964,515          |
|  | <u>6,400,396</u> | <u>4,412,888</u> | <u>6,285,399</u> | <u>5,063,944</u> |
| <b>Amounts falling due after more than one year:</b> |                  |                  |                  |                  |
| Prepayments and accrued income                       | 197,398          | 227,767          | 197,398          | 227,767          |
|  | <u>197,398</u>   | <u>227,767</u>   | <u>197,398</u>   | <u>227,767</u>   |
| <b>Total debtors</b>                                 | <u>6,597,794</u> | <u>4,640,655</u> | <u>6,482,797</u> | <u>5,291,711</u> |

**19 Creditors: amounts falling due within one year**

|                                    |              | <b>Group</b>     |                  | <b>Company</b>   |                  |
|------------------------------------|--------------|------------------|------------------|------------------|------------------|
|                                    |              | <b>2020</b>      | <b>2019</b>      | <b>2020</b>      | <b>2019</b>      |
|                                    | <b>Notes</b> | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| Obligations under finance leases   | 21           | 3,974            | 15,549           | 3,974            | 15,549           |
| Other borrowings                   | 22           | 47,022           | 975,535          | 47,022           | 975,535          |
| Trade creditors                    |              | 710,286          | 135,564          | 710,286          | 135,564          |
| Corporation tax payable            |              | -                | 113,190          | -                | 113,190          |
| Other taxation and social security |              | 1,956,655        | 940,346          | 1,940,368        | 939,162          |
| Deferred income                    | 24           | 179,682          | 425,563          | 179,682          | 425,563          |
| Dividends payable                  |              | -                | 53,833           | -                | 53,833           |
| Other creditors                    |              | 25,535           | 79,473           | 13,556           | 49,665           |
| Accruals                           |              | 4,464,080        | 2,852,002        | 4,384,527        | 2,852,002        |
|                                    |              | <u>7,387,234</u> | <u>5,591,055</u> | <u>7,279,415</u> | <u>5,560,063</u> |

**20 Creditors: amounts falling due after more than one year**

|          | <b>Group</b>     |                  | <b>Company</b>   |                  |
|----------|------------------|------------------|------------------|------------------|
|          | <b>2020</b>      | <b>2019</b>      | <b>2020</b>      | <b>2019</b>      |
|          | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| Accruals | 1,787,887        | 1,416,053        | 1,787,887        | 1,416,053        |
|          | <u>1,787,887</u> | <u>1,416,053</u> | <u>1,787,887</u> | <u>1,416,053</u> |

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

| <b>21 Finance lease obligations</b>                     | <b>Group</b> |             | <b>Company</b> |             |
|---|--------------|-------------|----------------|-------------|
|   | <b>2020</b>  | <b>2019</b> | <b>2020</b>    | <b>2019</b> |
|   | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Future minimum lease payments due under finance leases: |              |             |                |             |
| Less than one year                                      | 3,974        | 15,549      | 3,974          | 15,549      |

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery and intangible assets. 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 1 year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

| <b>22 Borrowings</b>    | <b>Group</b> |             | <b>Company</b> |             |
|-------------------------|--------------|-------------|----------------|-------------|
|                         | <b>2020</b>  | <b>2019</b> | <b>2020</b>    | <b>2019</b> |
|                         | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Other loans             | 47,022       | 975,535     | 47,022         | 975,535     |
| Payable within one year | 47,022       | 975,535     | 47,022         | 975,535     |

The long-term loan presented in the prior period was fully repaid in 2020.

During the year, another loan was taken out in respect of insurance premiums. The loan accrues interest at 4% and has been agreed to be repaid in 2021.

**23 Deferred taxation**

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

|                                | <b>Liabilities</b> | <b>Liabilities</b> |
|--------------------------------|--------------------|--------------------|
|                                | <b>2020</b>        | <b>2019</b>        |
|                                | <b>£</b>           | <b>£</b>           |
| <b>Group and Company</b>       |                    |                    |
| Accelerated capital allowances | -                  | 203,408            |
| Short term timing differences  | -                  | (28,298)           |
|                                | -                  | 175,110            |
|                                |                    |                    |
|                                | <b>Group</b>       | <b>Company</b>     |
|                                | <b>2020</b>        | <b>2020</b>        |
|                                | <b>£</b>           | <b>£</b>           |
| <b>Movements in the year:</b>  |                    |                    |
| Liability at 1 January 2020    | 175,110            | 175,110            |
| Credit to profit or loss       | (175,110)          | (175,110)          |
| Liability at 31 December 2020  | -                  | -                  |

The deferred tax liability relates to short timing differences offset by an asset representing accelerated capital allowances. Both are expected to reverse within 12 months.



**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****24 Deferred income**

|   | <b>Group</b> |             | <b>Company</b> |             |
|---|--------------|-------------|----------------|-------------|
|   | <b>2020</b>  | <b>2019</b> | <b>2020</b>    | <b>2019</b> |
|   | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Arising from deferred income on consulting fees | 179,682      | 425,563     | 179,682        | 425,563     |

**25 Retirement benefit schemes**

|   | <b>2020</b> | <b>2019</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| <b>Defined contribution schemes</b>   |             |             |
| Charge to profit or loss in respect of defined contribution and savings schemes | 885,404     | 593,838     |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

£149,696 (2019: £123,926) of pension contributions were outstanding at the balance sheet date.

**26 Share capital**

|  | <b>Group and company</b> |             |
|--|--------------------------|-------------|
|  | <b>2020</b>              | <b>2019</b> |
|  | <b>£</b>                 | <b>£</b>    |
| <b>Ordinary share capital</b>                            |                          |             |
| <b>Issued and fully paid</b>                             |                          |             |
| 28,072,026 (2019: 18,631,626) Ordinary shares of 1p each | 280,721                  | 186,317     |
| Nil (2019: 10,000) Ordinary founder shares of 1p each    | -                        | 100         |
|  | 280,721                  | 186,417     |

9,430,400 Ordinary shares were issued during the year at a par of 1p each plus a premium of 51.4p per share, creating a share premium of £4,850,487.

A further 10,000 Founder shares were re-designated as 10,000 Ordinary shares in the year, at a par of 1p each.

**27 Reserves****Profit and loss reserves**

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**Called up share capital**

Called up share capital reserve represents the nominal value of the shares issued.

**Share premium**

The share premium account includes the premium on issue of equity shares, net of any issue costs.

**Capital redemption reserve**

The nominal value of shares repurchased and still held at the end of the reporting period.

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****27 Reserves (Continued)****Own shares held**

Where the Employee Benefit Trust has purchased shares from staff who left the business, the cost is shown as a separate reserve for own shares held on the Statement of Changes in Equity. These shares are held to be used for the benefit of current employees only.

**Share-based payment reserve**

Share-based payment reserve represents the cost of options over the shares of the company held by the employees. The cost of the options is credited to the reserve over the life of the options. Where options have vested in the period, the full cost of those options is debited to the Share-based payment reserve and credited to the profit and loss account.

**28 Cash generated from group operations**

|  | Year ended<br>31 December<br>2020<br>£ | Period ended<br>31 December<br>2019<br>£ |
|--|--|--|
| (Loss)/profit for the year/period after tax          | (1,259,085)                            | 1,014,612                                |
| Adjustments for:                                     |  |  |
| Taxation (credited)/charged                          | (459,549)                              | 262,301                                  |
| Finance costs  | 71,064                                 | 68,285                                   |
| Investment income                                    | (5,979)                                | (8,344)                                  |
| Amortisation and impairment of intangible assets     | 737,819                                | 274,563                                  |
| Depreciation and impairment of tangible fixed assets | 33,733                                 | 22,386                                   |
| Equity settled share based payment expense           | 1,826,536                              | 507,243                                  |
| Movements in working capital:                        |  |  |
| (Increase) in debtors                                | (1,722,719)                            | (53,476)                                 |
| Increase/(decrease) in creditors                     | 3,467,172                              | (718,289)                                |
| (Decrease)/increase in deferred income               | (245,881)                              | 28,379                                   |
| <b>Cash generated from operations</b>                | <b>2,443,111</b>                       | <b>1,397,660</b>                         |

**29 Analysis of changes in net funds - Group**

|                                  | 1 January<br>2020<br>£ | Cash flows<br>£  | Exchange<br>rate<br>movements<br>£ | 31 December<br>2020<br>£ |
|----------------------------------|------------------------|------------------|------------------------------------|--------------------------|
| Cash at bank and in hand         | 3,481,903              | 4,808,174        | 561                                | 8,290,638                |
| Borrowings excluding overdrafts  | (975,535)              | 928,513          | -                                  | (47,022)                 |
| Obligations under finance leases | (15,549)               | 11,575           | -                                  | (3,974)                  |
|                                  | <u>2,490,819</u>       | <u>5,748,262</u> | <u>561</u>                         | <u>8,239,642</u>         |

**REDINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****30 Operating lease commitments****Lessee**

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

|                            | <b>Group</b>     |                  | <b>Company</b>   |                  |
|----------------------------|------------------|------------------|------------------|------------------|
|                            | <b>2020</b>      | <b>2019</b>      | <b>2020</b>      | <b>2019</b>      |
|                            | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| Within one year            | 1,602,144        | 1,056,803        | 1,602,144        | 1,056,803        |
| Between one and five years | 5,509,783        | 5,538,394        | 5,509,783        | 5,538,394        |
| In over five years         | 1,921,117        | 3,201,863        | 1,921,117        | 3,201,863        |
|                            | <u>9,033,044</u> | <u>9,797,060</u> | <u>9,033,044</u> | <u>9,797,060</u> |

**31 Related party transactions**

The company has taken advantage of the exemptions provided by FRS 102 Section 33 and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

Dividends were paid during the period totalling £300,913 (period ended 31 December 2019: £100,000). These were paid to the eligible directors and shareholders of the company.

Robert Gardner, a director who resigned during the year, was appointed to the Executive Board of St. James's Place Wealth Management ("SJP") in May 2019 and thus became a member of SJP's key management personnel and a related party. As Redington, a company under his joint control, provides SJP with investment consultancy services, it also became a related party. During the year, £5.8m (period ended 31 December 2019: £3.2m) of revenue was earned by Redington for these services, of which £0.61m (2019: £0.48m) was outstanding at year end, included within trade debtors.

The directors were deemed to be the only key management personnel, so no separate disclosure has been made.

**32 Controlling party**

Up until the 18 February 2020 the company's ultimate controlling parties were two of its previous directors, Dawid Konotey-Ahulu and Robert Gardner.

The sale of the company was completed on 18 February 2020 and as of that date, the immediate parent company became Acorn Bidco Limited. There is no singular ultimate controlling party.