P27 Topco Limited

Annual report and consolidated
financial statements

For the period from date of incorporation on 28 February 2018 to 31 August 2018

Company registration number: 11229734

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P27 Topco Limited

Annual report and consolidated financial statements

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P27 Topco Limited

Directors and other information

Directors	R Lowry P Lavery A T Wynn M Blower
Registered office	8 Hanover Square London W1S 1HQ
Auditor	KPMG Chartered Accountants The Soloist Building 1 Lanyon Place Belfast BT1 3LP
Banker	Bank of Ireland Ballygowan Road Castlereagh Belfast BT5 7LH
Solicitor	Carson McDowell Murray House Murray Street Belfast BT1 3LR
Company registration number	11229734

P27 Topco Limited

Strategic report

The directors present their strategic report for the period ended 31 August 2018.

Business review

On 10 March 2018 Perwyn Advisors UK Limited acquired a majority shareholding in Frost Investments Limited and its subsidiary undertakings, the principal activities of which are the rental and sale of refrigeration and catering equipment. Significant progress has already been made post acquisition to grow the business, leave it well positioned and fully equipped to exploit new opportunities as they arise.

The Group posted an EBITDA (before exceptional expenses) result of £2,659,196 for the period. The directors are satisfied with both the performance for the period and the period-end financial position.

The directors note that the Group balance sheet includes an excess of liabilities over assets, however they have determined it appropriate to prepare the financial statements on a going concern basis. The type and mix of funding in the business is fully aligned with the board's strategy for rapid growth. The Group enjoys significant headroom on its banking covenants.

Principal risks and uncertainties

There are a number of risks and uncertainties which could have a material impact on the Group. Some of these risks are outlined below and are generally assessed throughout the period to mitigate any potential impact.

Price risk

The Group is exposed to commodity price risk as a result of its operations. However, given the size of the Group's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Foreign exchange risk

While the greater part of the Group's revenues and expenses are denominated in sterling, the Group is exposed to some foreign exchange risk in the normal course of business, principally on sales in euros and dollars. While the Group has not used complex financial instruments to date to hedge foreign exchange exposure, this position is kept under ongoing review.

Credit risk

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. Trade debtors are managed in respect of credit risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Principal risks and uncertainties *(continued)*

Liquidity risk

The Group maintains a mixture of loan funding and preference shares which are designed to ensure it has sufficient available funds for operations and planned expansions.

Interest rate risk

The Group has interest bearing borrowings from third party lenders, certain of which incur interest at variable rates. The Group does not use complex financial instruments to hedge against interest rate exposure, however this position is kept under review and managed via an annual review of borrowing requirements.

Given the size of the Group, the directors have not delegated responsibility for monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the finance team.

Key performance indicators

The directors view gross margin and EBITDA as their key performance indicators.

	Period ended 31 August 2018
EBITDA (before exceptional expenses)	2,659,196
Gross margin	60%

Future outlook

Looking forward, the directors consider the Group to be well placed to grow both turnover and profitability. It is management's intention to develop both current and new activities.

On behalf of the board

Paul Lavery
Director

21 December 2018

P27 Topco Limited

Directors' report

The directors present their report and consolidated financial statements for the period from date of incorporation 28 February 2018 to 31 August 2018.

Principal activity

The principal activity of the Company is that of an investment holding company.

The principal activity of the Group is the rental and sale of refrigeration and catering equipment.

Equity dividends

No ordinary dividends were paid in respect of equity shares in the period.

Directors

The directors who held office during the period were as follows:

A T Wynn (appointed 28 February 2018)
M Blower (appointed 28 February 2018)
R Lowry (appointed 10 March 2018)
P Lavery (appointed 10 March 2018)
D A McCall (appointed 10 March 2018, resigned 31 August 2018)

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the period.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG were appointed auditor during the period.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

On behalf of the board

Paul Lavery
Director

21 December 2018

8 Hanover Square
London
W1S 1HQ

P27 Topco Limited

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the directors' report, the strategic 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 they have elected to prepare the Group and Company financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* as applied in accordance with the provisions of the Companies Act 2006.

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that period. In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Group comply with the Companies Act 2006. They are responsible for such internal controls as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board

Paul Lavery
Director

21 December 2018

KPMG

KPMG
Audit
The Soloist Building
1 Lanyon Place
Belfast BT1 3LP
Northern Ireland

Independent auditor's report to the members of P27 Topco Limited

1 Report on the audit of the financial statements

Opinion

We have audited the Group and Company financial statements of P27 Topco Limited ('the Company') for the period ended 31 August 2018 which comprise the consolidated profit and loss account and other comprehensive income, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated and company statements of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

In our opinion, the Group and Company financial statements:

- give a true and fair view of the state of the Group's and Company's affairs as at 31 August 2018 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland;* and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the annual report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

KPMG, an Irish partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

Independent auditor's report to the members of P27 Topco Limited *(continued)*

1 Report on the audit of the financial statements *(continued)*

Other information *(continued)*

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statement audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements; and
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in regard to these matters.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, 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 they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

KPMG

Independent auditor's report to the members of P27 Topco Limited *(continued)*

2 Respective responsibilities and restrictions on use *(continued)*

Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

21 December 2018

John Poole (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

P27 Topco Limited

Consolidated profit and loss account and other comprehensive income
for the period from date of incorporation on 28 February 2018 to 31 August 2018

	Note	Period ended 31 August 2018 £
Turnover	3	**11,538,653**
Cost of sales		**(4,598,467)**
Gross profit		**6,940,186**
Administrative expenses		**(10,889,485)**
Other expenses – exceptional items		**(262,944)**
Operating loss		**(4,212,243)**
Interest payable and similar expenses	7	**(3,679,882)**
Loss before taxation		**(7,892,125)**
Tax on loss	8	**(124,908)**
Loss for the financial period		**(8,017,033)**
Other comprehensive income		
Foreign exchange differences on translation of foreign operations		**(8,195)**
Other comprehensive income for the period, net of income tax		**(8,195)**
Total comprehensive income/(expense) for the period		**(8,025,228)**

All of the results of the Group derive from continuing operations.

The notes on pages 15 to 39 form an integral part of these financial statements.

P27 Topco Limited

Consolidated balance sheet
as at 31 August 2018

	Note	2018 £	2018 £
Fixed assets			
Intangible assets	*9*		44,653,702
Tangible assets	*10*		12,056,212
			56,709,914
Current assets			
Stocks	*12*	986,962	
Debtors	*13*	6,125,018	
Cash at bank and in hand	*14*	1,737,532	
		8,849,512	
Creditors: amounts falling due within one year	*15*	(7,409,026)	
Net current assets			1,440,486
Total assets less current liabilities			58,150,400
Creditors: amounts falling due after more than one year	*16*		(64,948,161)
Provisions for liabilities			
Deferred tax liability	*21*		(253,467)
Net liabilities			(7,051,228)
Capital and reserves			
Called up share capital	*20*		9,099
Share premium	*20*		964,901
Foreign exchange reserve			(8,195)
Profit and loss account			(8,017,033)
Shareholders' deficit			(7,051,228)

These financial statements were approved by the board of directors on 21 December 2018 and signed on its behalf by:

Paul Lavery
Director

Company registration number: 11229734

The notes on pages 15 to 39 form an integral part of these financial statements.

P27 Topco Limited

Company balance sheet
as at 31 August 2018

	Note	2018 £	2018 £
Fixed assets			
Investments	*11*		**1**
			1
Current assets			
Debtors	*13*	**41,706,698**	
		41,706,698	
Creditors: amounts falling due within one year	*15*	**(1,861,450)**	
Net current assets			**39,845,248**
Total assets less current liabilities			**39,845,249**
Creditors: amounts falling due after more than one year	*16*		**(38,824,550)**
Net assets			**1,020,699**
Capital and reserves			
Called up share capital	*20*		**9,099**
Share premium			**964,901**
Profit and loss account			**46,699**
Shareholders' funds			**1,020,699**

These financial statements were approved by the board of directors on 21 December 2018 and signed on its behalf by:

Paul Lavery
Director

Company registration number: 11229734

The notes on pages 15 to 39 form an integral part of these financial statements.

P27 Topco Limited

Consolidated statement of changes in equity

for the period from date of incorporation on 28 February 2018 to 31 August 2018

	Called up share capital £	Share premium £	Foreign exchange reserve £	Profit and loss account £	Total equity £
On incorporation	-	-	-	-	-
Comprehensive income for the period					
Loss for the period	-	-	-	(8,017,033)	(8,017,033)
Other comprehensive income					
Exchange difference on retranslation of foreign operations	-	-	(8,195)	-	(8,195)
Total comprehensive income for the period	**-**	**-**	**(8,195)**	**(8,017,033)**	**(8,025,228)**
Transactions with owners, recorded directly in equity					
Shares issued during the period	9,099	964,901	-	-	974,000
Total contributions by owners	**9,099**	**964,901**	**-**	**-**	**974,000**
Balance at 31 August 2018	**9,099**	**964,901**	**(8,195)**	**(8,017,033)**	**(7,051,228)**

The notes on pages 15 to 39 form an integral part of these financial statements.

P27 Topco Limited

Company statement of changes in equity

for the period from date of incorporation on 28 February 2018 to 31 August 2018

	Called up share capital £	Share premium £	Profit and loss account £	Total equity £
On incorporation	-	-	-	-
Comprehensive income for the period				
Profit for the period	-	-	46,699	46,699
Total comprehensive income for the period	**-**	**-**	**46,699**	**46,699**
Transactions with owners, recorded directly in equity				
Shares issued during the period	9,099	964,901	-	974,000
Total contributions by owners	**9,099**	**964,901**	**-**	**974,000**
Balance at 31 August 2018	**9,099**	**964,901**	**46,699**	**1,020,699**

The notes on pages 15 to 39 form an integral part of these financial statements.

P27 Topco Limited

Consolidated cash flow statement

for the period from date of incorporation on 28 February 2018 to 31 August 2018

	Period ended 31 August 2018 £
Cash flows from operating activities	
Loss for the financial period	**(8,017,033)**
Adjustments for:	
Amortisation of intangible assets	**5,159,741**
Depreciation of tangible assets	**1,448,754**
Interest payable and similar expenses	**3,679,882**
Taxation	**124,908**
	2,396,252
Decrease in stocks	**348,842**
Increase in debtors	**(1,729,319)**
Decrease in creditors	**(938,242)**
	77,533
Tax paid	**(90,061)**
Net cash from operating activities	**(12,528)**
Cash flows from investing activities	
Purchase of tangible fixed assets	**(1,321,136)**
Capitalised development expenses	**(87,750)**
Acquisition of a business	**(35,222,182)**
Net cash from investing activities	**(36,631,068)**
Cash flows from financing activities	
Issue of ordinary shares	**641,372**
Issue of preference shares	**27,924,991**
Proceeds from new loans	**27,000,000**
Loan arrangement fees capitalised	**(1,762,500)**
Repayment of loans	**(16,979,084)**
Repayment of finance leases	**(246,184)**
Interest paid	**(1,006,476)**
Net cash from financing activities	**35,572,119**
Net decrease in cash and cash equivalents	**(1,071,477)**
Cash and cash equivalents acquired	**2,809,009**
Cash and cash equivalents at 31 August 2018	**1,737,532**

P27 Topco Limited

Notes
forming part of the consolidated financial statements

1 Accounting policies

P27 Topco Limited ("the Company") is a private company incorporated, domiciled and registered in the United Kingdom. The registered number is 11229734 and registered address is 8 Hanover Square, London, W1S 1HQ. These consolidated financial statements comprise the Company and its subsidiaries (collectively "the Group"). The Company financial statements present information about the Company as a separate entity and not about the Group.

The Group and Company financial statements are prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").* The presentation currency is sterling.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 Paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company cash flow statement or related notes is included;
- Key management personnel compensation has not been included a second time; and
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments* in respect of financial instruments not falling within the fair value accounting rules.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 27.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report.

The Group meets its day-to-day working capital requirements through cash generated from operations, loan facilities and asset backed finance leases. The Group secured new banking facilities in the period and is in compliance with all terms of the facility agreements.

The directors note that the Group balance sheet includes an excess of liabilities over assets. The directors have prepared financial and cash flow projections which indicate that the Group and Company will generate sufficient profits and positive cash flows over the next twelve months to ensure that all liabilities can be discharged in the ordinary course of business as they fall due for payment and that the business will have adequate liquid funds available.

1 Accounting policies *(continued)*

Going concern *(continued)*

After making enquiries, the directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 August 2018. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent company financial statements, investments in subsidiaries are carried at cost less impairment.

Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the date the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Notes *(continued)*

1 Accounting policies *(continued)*

Classification of financial instruments

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(i) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(ii) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1 Accounting policies *(continued)*

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred. Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 5 years.

1 Accounting policies *(continued)*

Intangible assets *(continued)*

Amortisation (continued)

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 *Impairment of Assets* when there is an indication that goodwill or an intangible asset may be impaired.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. On initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The Group assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account over the estimated useful lives less the estimated residual value of each part of an item of tangible fixed assets at the following rates:

- Buildings — 2.5% Straight line from new
- Plant and equipment — 12.5-25% Straight line from new
- Fixtures and fittings — 20-25% Straight line from new
- Motor vehicles — 25% Straight line from new

Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks.

1 Accounting policies *(continued)*

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event that had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). Goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units ("CGUs") that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets are reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1 Accounting policies *(continued)*

Turnover

Turnover represents the invoiced value of goods and services supplied during the period, excluding value added tax and is net of trade discounts. Turnover is recognised when, and to the extent that, the Group obtains the right to consideration in exchange for its performance.

Expenses

Other expenses – exceptional items

Exceptional items represent non-recurring expenses in relation to group refinancing and strategic restructuring activities which are not considered to be reflective of routine trading activity.

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Interest receivable and interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, in addition to foreign exchange losses recognised in profit and loss.

Interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payment is established.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1 Accounting policies *(continued)*

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense. Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Acquisition of businesses

Acquisitions in the current period

On 10 March 2018, P27 Bidco Limited, a subsidiary undertaking of P27 Topco Limited acquired the entire share capital of Frost Investments Limited. The Frost Investments Group focuses on the sale and rental of refrigeration and catering equipment. The business contributed revenue of £11,538,653 and net losses of £769,538 to the revenue and net loss for the period.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities:

	Book values £	Fair value adjustments £	Recognised values on acquisitions £
Acquiree's net assets at the acquisition date:			
Intangible assets	4,740,769	(3,426,601)	1,314,168
Tangible fixed assets	9,405,325	2,918,522	12,323,847
Stocks	1,335,804	-	1,335,804
Trade and other debtors	4,154,862	-	4,154,862
Cash and cash equivalents	2,809,009	-	2,809,009
Trade and other creditors	(6,519,341)	551,668	(5,967,673)
Interest bearing loans and borrowings	(17,949,390)	-	(17,949,390)
Corporation tax	41,376	-	41,376
Deferred tax asset	327,949	-	327,949
Deferred tax liability	-	(347,108)	(347,108)
Net identifiable assets and liabilities	**(1,653,637)**	**(303,519)**	**(1,957,156)**
Total cost of business combination:			
Consideration paid:			
Initial cash price paid			34,345,395
Loan notes issued			11,232,187
Costs directly attributable to the business combination			876,787
Total consideration			**46,454,369**
Goodwill on acquisition			**48,411,525**

Goodwill has arisen on the acquisition and reflects the future economic benefits arising from assets that are not capable of being identified individually and recognised as separate assets. The goodwill reflects the anticipated profitability and synergistic benefits arising from the combination. None of the goodwill is expected to be deductible for tax purposes.

The expected useful life of goodwill stemming from this acquisition is five years.

Notes *(continued)*

2 Acquisition of businesses *(continued)*

Fair value adjustments have been recognised in respect of the following:

(i) Property valuation uplift to reflect market value at date of acquisition;
(ii) Specialised plant and machinery recognised at depreciated replacement cost;
(iii) Recognition of intangible assets for certain long term customer contracts;
(iv) Recognition of assets in respect of management's best estimate of expected profit on deferred income at date of acquisition; and
(v) Resulting deferred tax liabilities.

Fair value of net assets acquired
The fair value of net assets acquired is based on information available at the reporting date. If new information becomes available within twelve months after the acquisition date about facts and circumstances that existed at the date of acquisition which require adjustment to the above amounts, the accounting for the acquisition will be revised.

Notes *(continued)*

3 Turnover

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

	Period ended 31 August £
Rendering of services	**9,886,394**
Sale of goods	**1,652,259**
	11,538,653

An analysis of turnover by region and geographical market has not been disclosed as the directors consider it to be seriously prejudicial to the interests of the Group to disclose such information.

4 Expenses and auditor's remuneration

Included in profit/loss are the following:

	Period ended 31 August 2018 £
Depreciation of tangible fixed assets	**1,448,754**
Amortisation of intangible assets, including goodwill	**5,159,741**
Exchange differences	**394,644**
Operating lease rentals	**440,767**
Defined contribution pension cost	**21,761**

Auditor's remuneration:	**£**
Audit of these financial statements	**27,750**
Amounts receivable by the Group's auditor and its associates in respect of:	
Audit of financial statements of subsidiaries	**64,750**
Other services relating to taxation – compliance	**60,000**
All other services	**2,500**

5 Staff numbers and costs

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

	Period ended 31 August 2018 No.
Administration	20
Selling and distribution	125
	145

The aggregate payroll costs of these persons were as follows:	Period ended 31 August 2018 £
Wages and salaries	2,467,760
Social security costs	203,459
Contributions to defined contribution plans	21,761
	2,692,980

6 Directors' remuneration

	Period ended 31 August 2018 £
Directors' remuneration	185,573
Company contributions to money purchase pension plans	737
	186,310

The aggregate remuneration of the highest paid director was £109,233 and pension contributions of £369 were made to a money purchase plan on his behalf.

Two directors are accruing retirement benefits under a money purchase plan.

7 Interest payable and similar expenses

	Period ended 31 August 2018 £
Loan interest payable	**1,291,262**
Preference share dividends	**1,861,361**
Net foreign exchange loss	**394,664**
Other interest and debt amortisation expenses	**132,595**
	3,679,882

8 Taxation

	Period ended 31 August 2018 £
Total tax expense recognised in the profit and loss account	
Current tax	
Current tax on income for the period	87,757
Total current tax	**87,757**
Deferred tax	
Origination and reversal of timing differences	37,151
Total deferred tax	**37,151**
Total tax	**124,908**

8 Taxation *(continued)*

Reconciliation of effective tax rate

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 31 August 2018 £
Loss for period	(8,017,033)
Total tax expense	124,908
Loss on ordinary activities before tax	(7,892,125)
Tax using the UK corporation tax rate of 19%	(1,499,504)
Effects of:	
Expenses not deductible	1,468,569
Difference in overseas rates	72,350
Corporate interest restriction	83,493
Total tax expense included in profit or loss	**124,908**

Factors affecting future tax charges

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were enacted on 26 October 2015. The Finance Bill 2016 further reduced the 18% rate to 17% from 1 April 2020 following substantive enactment on 6 September 2016. Together this will reduce the Group's future tax charges accordingly.

P27 Topco Limited

Notes *(continued)*

9 Intangible assets

	Goodwill £	Customer lists and contracts £	Development costs £	Total £
Cost				
On incorporation	-	-	-	-
Acquisitions through business combinations	48,411,525	1,314,168	-	49,725,693
Additions	-	-	87,750	87,750
At 31 August 2018	**48,411,525**	**1,314,168**	**87,750**	**49,813,443**
Amortisation and impairment				
On incorporation	-	-	-	-
Charge for the period	4,608,916	550,825	-	5,159,741
At 31 August 2018	**4,608,916**	**550,825**	**-**	**5,159,741**
Net book value				
At 31 August 2018	**43,802,609**	**763,343**	**87,750**	**44,653,702**
On incorporation	-	-	-	-

Amortisation
The amortisation charge is recognised in the administrative expenses line item in the profit and loss account.

Notes *(continued)*

10 Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
On incorporation	-	-	-	-	-
Acquisitions through business combinations	1,900,419	9,896,926	211,197	315,305	12,323,847
Other additions	3,668	1,177,939	-	139,528	1,321,135
Disposals	-	(973,778)	-	(27,651)	(1,001,429)
Exchange differences	(69,951)	(4,595)	(6,157)	(4,208)	(84,911)
At 31 August 2018	**1,834,136**	**10,096,492**	**205,040**	**422,974**	**12,558,642**
Accumulated depreciation					
On incorporation	-	-	-	-	-
Charge for the period	52,292	1,280,716	44,859	70,887	1,448,754
Disposals	-	(918,673)	-	(27,651)	(946,324)
Exchange differences	-	-	-	-	-
At 31 August 2018	**52,292**	**362,043**	**44,859**	**43,236**	**502,430**
Net book value					
At 31 August 2018	**1,781,844**	**9,734,449**	**160,181**	**379,738**	**12,056,212**
On incorporation	-	-	-	-	-

The net book value of assets held under finance lease or hire purchase contracts, included above, is as follows:

	2018 £
Plant and machinery	**1,424,109**
Motor vehicles	**99,066**
	1,523,175

11 Fixed asset investments

Company

	Shares in subsidiary undertakings £
Cost	
On incorporation	-
Additions	1
At 31 August 2018	**1**
Net book value	
At 31 August 2018	**1**

Subsidiary undertakings
Undertakings in which the Company's interest at the year-end is more than 20% are as follows:

Name	Registered	Class of shares	Holding	Principal activity
P27 Midco Limited	UK	Ordinary	100%	Holding company
P27 Bidco Limited	UK	Ordinary	100% **	Holding company
Frost Investments Limited	UK	Ordinary	100% **	Holding company
Lowe Refrigeration Solutions Limited	UK	Ordinary	100% **	Holding company
Lowe Refrigeration Pte Limited	Singapore	Ordinary	100% **	Refrigeration equipment rental
Lowe Rental Limited	UK	Ordinary	100% **	Refrigeration equipment rental
Lowe Refrigeration Inc	USA	Ordinary	100% **	Refrigeration equipment rental
Lowe Refrigeration Deutschland GmbH	Germany	Ordinary	100% **	Refrigeration equipment rental
Lowe Rental Limited	Hong Kong	Ordinary	100% **	Refrigeration equipment rental
Lowe Refrigeration Italia Srl	Italy	Ordinary	100% **	Refrigeration equipment rental
Lowe Refrigeration LLC	Dubai	Ordinary	49% **	Refrigeration equipment rental
Lowe Systems Limited	UK	Ordinary	100% **	Dormant
Lowe Rental (Ire) Limited	Ireland	Ordinary	100% **	Dormant

*** Indirect shareholding*

Notes *(continued)*

12 Stocks

	Group 2018 £	Company 2018 £
Goods for resale	986,962	-

Amounts recognised as cost of sales in the period totalled £1,201,808.

13 Debtors

	Group 2018 £	Company 2018 £
Trade debtors	4,002,120	-
Amounts owed by group undertakings	-	41,706,698
Other debtors	370,419	-
Prepayments and accrued income	1,511,642	-
Deferred taxation *(see note 21)*	197,157	-
Corporation tax	43,680	-
	6,125,018	41,706,698
Due within one year	5,927,861	41,706,698
Due after more than one year	197,157	-

14 Cash and cash equivalents

	Group 2018 £	Company 2018 £
Cash at bank and in hand	1,737,532	-

15 Creditors: amounts falling due within one year

	Group 2018 £	Company 2018 £
Trade creditors	1,497,375	-
Other taxation and social security	256,472	-
Obligations under finance lease and hire purchase contracts	367,549	-
Other creditors	267,452	-
Accruals and deferred income	5,020,178	1,861,450
	7,409,026	1,861,450

16 Creditors: amounts falling due after more than one year

	Group 2018 £	Company 2018 £
Bank loans	25,979,191	-
Obligations under finance lease and hire purchase contracts	144,420	-
Shares classified as debt	38,824,550	38,824,550
	64,948,161	**38,824,550**

17 Interest bearing loans and borrowings

This note provides information about the contractual terms of the Group's and Company's interest bearing loans and borrowings which are measured at amortised cost.

	Group 2018 £	Company 2018 £
Creditors: *amounts falling due within one year*		
Finance lease liabilities	367,549	-
	367,549	-
Creditors: *amounts falling due after more than one year*		
Bank loans	27,606,677	-
Capitalised arrangement fees	(1,627,486)	-
Finance lease liabilities	144,420	-
Shares classified as debt	38,824,550	38,824,550
	64,948,161	**38,824,550**

Terms and debt repayment schedule

	Currency	*Nominal interest rates*	*Year of maturity*	**Repayment schedule**	**2018 £**
Secured bank loan A	£ GBP	LIBOR + fixed margin	2024	On maturity	21,201,851
Secured bank loan B	US$	LIBOR + fixed margin	2024	On maturity	5,404,826
Secured bank loan C	£ GBP	LIBOR + fixed margin	2024	On maturity	1,000,000
Finance lease liabilities	Various	Various	Various	Monthly	511,969
Shares classified as debt	£ GBP	10%	2024	On maturity	38,824,550
					66,943,196

18 Hire purchase and finance leases

Hire purchase and finance lease liabilities are payable as follows:

Group	**2018** **£**
Within one year	**367,549**
Between 1 and 5 years	**144,420**
Greater than 5 years	**-**
	511,969

Certain plant, machinery and motor vehicles are held under finance lease arrangements. Finance lease liabilities are secured on the related assets subject to lease. The lease arrangements generally include fixed lease payments with a purchase option at the end of the lease term.

Finance lease and hire purchase contracts are denominated in their respective currency, incur interest at varying fixed rates ranging from 3 – 10% and are payable monthly in advance through to maturity in 2019 -2022.

Company
The Company has no hire purchase or finance lease liabilities at 31 August 2018.

19 Financial instruments

	Group 2018 £	Company 2018 £
Financial assets measured at amortised cost		
Trade debtors	**4,002,120**	-
Amounts owed by group undertakings	**-**	41,706,698
Other debtors	**370,419**	-
Prepayments and accrued income	**1,511,642**	-
Cash at bank and in hand	**1,737,532**	-
	7,621,713	41,706,698
Financial liabilities measured at amortised cost		
Trade creditors	**1,497,375**	-
Other creditors	**267,452**	-
Accruals and deferred income	**5,020,178**	1,861,450
Interest bearing loans and borrowings	**65,315,710**	38,824,550
	72,100,715	40,686,000

Notes *(continued)*

20 Capital and reserves

	Number of shares	2018 £
Allotted, called up and fully paid		
A ordinary shares of £0.001 each	6,113,720	**6,114**
B1 ordinary shares of £0.001 each	1,692,240	**1,692**
B2 ordinary shares of £0.00001 each	694,041	**7**
C1 ordinary shares of £0.002 each	640,000	**1,280**
C2 ordinary shares of £0.00001 each	600,000	**6**
	9,740,001	**9,099**
10% cumulative preference shares of £0.0000001 each	3,882,454,972	**38,824,550**
Shares classified in shareholders' funds		**9,099**
Shares classified as liabilities		**38,824,550**

All of the above shares were issued in the period.

A ordinary shares and 2,792,499,090 preference shares were issued for cash. The remaining ordinary and preference shares were satisfied by way of convertible loan note.

Ordinary shares were issued at a price of £0.10 per share, thus generating a share premium of £964,901 at 31 August 2018. Preference shares were issued at a premium of £0.0099999 per share.

All equity shares (A, B1, B2, C1, C2) are treated on a pari passu basis as a single share class for distribution purposes. Holders of A and B1 ordinary shares are entitled to ten votes per share at meetings of the Company. Holders of C1 ordinary shares have 15 votes per share. Holders of B2 and C2 shares are not entitled to vote.

The preference shares are redeemable in full in six years and accrue dividends at a rate of 10% per annum on a compounding basis.

Foreign exchange reserve
This reserve comprises foreign exchange gains and losses arising on the retranslation of net assets of subsidiary undertakings.

21 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	**Assets 2018 £**	**Liabilities 2018 £**	**Net 2018 £**
Accelerated capital allowances	**174,930**	**-**	**174,930**
Business combinations	**-**	**(253,467)**	**(253,467)**
Other timing differences	**22,227**	**-**	**22,227**
Tax assets/(liabilities)	**197,157**	**(253,467)**	**(56,310)**
Net tax assets/(liabilities)	**197,157**	**(253,467)**	**(56,310)**

Company
The Company has no recognised or unrecognised deferred tax assets or liabilities at 31 august 2018.

22 Operating leases

At 31 August 2018 the Group had non-cancellable operating lease rentals payable as follows:

Group	**2018**
	£
Land and buildings	
Less than 1 year	**876,964**
Between 1 and 5 years	**2,263,300**
More than 5 years	**330,174**
	3,470,438

	2018
	£
Plant, equipment and motor vehicles	
Less than 1 year	**153,333**
Between 1 and 5 years	**406,419**
More than 5 years	**-**
	559,752

During the period £440,767 was recognised as an expense in the profit and loss account in respect of operating leases.

Company
The Company had no non-cancellable operating lease commitments at 31 August 2018.

23 Other financial commitments

At 31 August 2018, neither the Group nor the Company had any other financial commitments.

24 Related party transactions

Group

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the period amounted to £435,037.

Certain members of key management received payments for ordinary and preference shares (including dividends accrued thereon) held in Frost Investments Limited as part of the sale. Consideration for these shareholdings comprised cash and loan notes totalling £29,060,431. The loan notes issued were subsequently converted into equity and preference shares at par value.

24 Related party transactions *(continued)*

Other related party transactions

	Transaction in period ended 31 August 2018 £	Balance outstanding at 31 August 2018 £
Entities with control over the Group		
Preference shares issued to PW P27 UK Limited	27,924,991	27,924,991
Interest accrued on preference shares issued to PW P27 UK Limited	1,338,756	1,338,756
Arrangement fees paid to Perwyn Advisors UK Limited	500,000	-
Management fees payable to Perwyn Advisors UK Limited	57,552	24,443
Key management personnel		
Preference shares issued to key management personnel (including directors)	10,899,559	10,899,559
Interest accrued on preference shares issued to key management personnel (including directors)	522,695	522,695
Loans issued to key management personnel	30,000	30,000
Other related parties		
Fees payable to MNV Limited	39,600	3,300

Company
The Company has availed of the exemption under FRS 102.33.1A *Related Party Disclosures* not to disclose transactions with other wholly owned subsidiaries of the P27 Topco Limited Group.

25 Controlling party

The Company is a subsidiary undertaking of PW P27 UK Limited, a company incorporated in the United Kingdom. The ultimate controlling parties are the shareholders of PW P27 UK Limited.

The largest group in which the results of the Company and its group are consolidated is that headed by PW P27 UK Limited, registered at 8 Hanover Square, London, W15 7HQ. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG.

26 Contingencies

Certain Group companies are party to a composite guarantee provided to Lucid Trustee Services Limited in connection with loans held by P27 Bidco Limited which at 31 August 2018 amounted to £27,606,677. Lucid Trustee Services Limited holds a fixed and floating charge over the respective companies' assets, together with those of certain other group undertakings, in its capacity as security agent on behalf of the P27 Topco Limited Group's lenders.

27 Accounting estimates and judgements

Critical accounting judgements in applying the Group's accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed and revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The directors have identified the following key assumptions and sources of estimation uncertainty which impact critical accounting estimates and judgements at the balance sheet date that may require material adjustment to the carrying amounts of assets or liabilities within the next financial year:

Business combinations, fair values and goodwill
A detailed analysis of fair value adjustments in relation to business combinations is included at note 2. The fair value of intangible assets acquired in a business combination is based on discounted cash flow models. The useful economic life of the customer related intangible asset aligns with the duration of the specific contract in respect of which the asset is recognised and therefore reflects the period over which revenue will be generated and economic benefit derived.

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life as determined by the directors.

Depreciation
Tangible fixed assets are depreciated on a straight line basis from new over their estimated useful economic lives as determined by the directors.

Deferred tax
Deferred tax assets are recognised if recoverable based on the directors' assessment of forecast results. The measurement of deferred tax assets and liabilities reflect the tax consequences that would follow from the manner in which management expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.