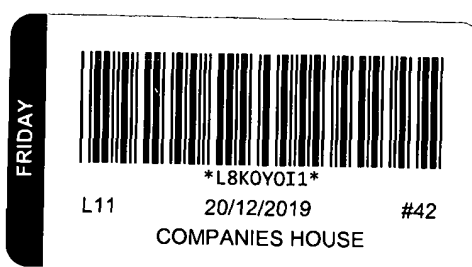


Company Registration No. 06228885 (England and Wales)

CORONA CORPORATE SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



CORONA CORPORATE SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	K Coveney	(Appointed 28 August 2018)
	D M Pickering	(Appointed 4 October 2018)
	J Stephens	
	G D Orr	(Appointed 12 November 2019)
Company number	06228885	
Registered office	1-2 Castle Lane London SW1E 6DR	
Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG	

CORONA CORPORATE SOLUTIONS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 25

CORONA CORPORATE SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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

In the year, the Corona Group accelerated its acquisition activity and acquired additional MPS (Managed Print Services) providers within the South East, and more recently in the Midlands:

- The London Photocopying Company Ltd (acquired July 2018),
- Classic Business Equipment Limited (acquired August 2018)
- Regent Document Solutions Limited (acquired December 2018).
- Digital Copier Solutions Eastern Limited (acquired March 2019) was assigned in the April 2019.

These newly acquired companies have been integrated fully and quickly into the Corona Corporate Solutions Limited and the client contracts have all been assigned to Corona Corporate Solutions Ltd in the period.

These additional acquisitions have strengthened the group and led to investment in infrastructure, management teams, back office support structures and the service operation overall. This has enabled the group to deliver an improved and valuable service to its existing and newly acquired clients. In tripling the 'Machines in Field' (MIF) base, the Group is better able to optimise engineer scheduling rotas and improve commercial terms with key machine and parts suppliers.

The acquisitions made throughout the year have widened our geographic market and further strengthened our presence in the midlands and East Anglia in particular.

Since the accounts date, the Corona Group has made two further acquisitions including the client book of Workflow Imaging Systems Limited (in May 2019), and the shares of the Business by Technology (BBT) Group Limited a leading independent Konica Minolta dealer. (November 2019). These recent acquisitions have extended the Group's MIF base and firmly established the business as a leading provider of MPS in the Home Counties and Midlands. Following acquisition of these entities, the client contracts have been assigned to Corona Corporate Solutions and the services fulfilled from this entity.

In financial year 2020 Corona continues to be acquisitive with the aim of further increasing MIF and client bases whilst benefitting from scale and improved leverage with key suppliers. Whilst also continuing to invest in its operational capability the Group will look to upgrade its ERP platform, thus further enhancing its operational effectiveness and ensuring best use of current technology. The Group now employs over 250 employees and is committed to providing a dynamic and rewarding workplace. It is also in the process of converting its engineer car fleet to hybrid vehicles from early 2020 with the first 40 cars being delivered in January 2020.

Review of business

Table below illustrates the performance in 2019 versus 2018. The uplift in revenues and EBITDA in 2019 versus 2018 reflects the part year benefit of in-year acquisitions as well as steady growth within the existing client base.

£'000	2019	2018	Change
Turnover	28,629	17,148	11,481
Gross Profit	17,447	10,756	6,691
Gross Profit % of revenue	61%	63%	-2%
EBITDA before exceptional costs	8,049	6,298	1,752
EBITDA % of revenue	28.1%	36.7%	-8.6%

Key Performance Indicators

Whilst the directors review and measure all aspects of the business, including service call response times, MIF per operative and first-time fix rates, the Directors consider EBITDA and EBITDA % of revenue as the key indicator of success of the business.

On behalf of the board

J Stephens
Director

20/12/19

CORONA CORPORATE SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the company continued to be that of the supply and maintenance of multi-functional devices and telephony systems, and software thereon.

Directors

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

K Coveney	(Appointed 28 August 2018)
D M Pickering	(Appointed 4 October 2018)
C G Morris	(Appointed 2 August 2018 and resigned 28 August 2018)
J Stephens	
K L Stephens	(Resigned 2 August 2018)
G D Orr	(Appointed 12 November 2019)

Results and dividends

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

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

Auditor

In accordance with the company's articles, a resolution proposing that Grant Thornton UK LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

The directors confirm that:

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and

The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

CORONA CORPORATE SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

On behalf of the board



J. Stephens
Director

Date: 29/12/19

CORONA CORPORATE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF CORONA CORPORATE SOLUTIONS LIMITED

Qualified opinion

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

In our opinion, except for the effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit 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.

Basis for qualified opinion

With respect to stock having a carrying amount of £463,449, the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 March 2018, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures, thus leading to our technical qualification. The audit opinion for the year ended 31 March 2019 is qualified as we are unable to confirm that the opening stock balance does not contain misstatement that may materially impact on the company profit and loss.

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

Conclusions relating to going concern

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

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

CORONA CORPORATE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CORONA CORPORATE SOLUTIONS LIMITED

Other information

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

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

As described in the basis for qualified opinion section above, we were unable to obtain sufficient appropriate evidence about the existence of stock at 31 March 2018. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter, as this impacts the profit and loss in the year.

Opinions on other matters prescribed by the Companies Act 2006

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors

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

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

CORONA CORPORATE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CORONA CORPORATE SOLUTIONS LIMITED

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Marc Summers BSc(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP

20/12/19

Chartered Accountants
Statutory Auditor

30 Finsbury Square
London
EC2A 1AG

CORONA CORPORATE SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	28,629,070	17,147,667
Cost of sales		(11,182,335)	(6,391,566)
Gross profit		17,446,735	10,756,101
Distribution costs		(299,373)	(115,201)
Administrative expenses		(11,593,293)	(6,830,656)
Exceptional item	4	(295,181)	-
Operating profit	5	5,258,888	3,810,244
Interest receivable and similar income	9	-	331
Interest payable and similar expenses	10	(10,655)	(13,531)
Profit before taxation		5,248,233	3,797,044
Tax on profit	11	(511,777)	(673,510)
Profit for the financial year		4,736,456	3,123,534

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CORONA CORPORATE SOLUTIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Profit for the year	4,736,456	3,123,534
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,736,456</u>	<u>3,123,534</u>

CORONA CORPORATE SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
Fixed assets			
Goodwill	12	232,686	465,373
Tangible assets	13	459,844	6,401
Investments	14	2,761,348	2,761,348
		<u>3,453,878</u>	<u>3,233,122</u>
Current assets			
Stocks	16	1,056,468	463,449
Debtors	17	19,691,436	6,830,663
Cash at bank and in hand		2,643,065	1,913,420
		<u>23,390,969</u>	<u>9,207,532</u>
Creditors: amounts falling due within one year	18	<u>(14,299,085)</u>	<u>(6,758,739)</u>
Net current assets		<u>9,091,884</u>	<u>2,448,793</u>
Total assets less current liabilities		<u><u>12,545,762</u></u>	<u><u>5,681,915</u></u>
Capital and reserves			
Called up share capital	22	1,000	1,000
Profit and loss reserves		12,544,762	5,680,915
Total equity		<u><u>12,545,762</u></u>	<u><u>5,681,915</u></u>

The financial statements were approved by the board of directors and authorised for issue on 20/12/19 and are signed on its behalf by:


J Stephens
Director

Company Registration No. 06228885

CORONA CORPORATE SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2017		1,000	2,557,381	2,558,381
Year ended 31 March 2018:				
Profit and total comprehensive income for the year		-	3,123,534	3,123,534
Balance at 31 March 2018		1,000	5,680,915	5,681,915
Year ended 31 March 2019:				
Profit and total comprehensive income for the year		-	4,736,456	4,736,456
Credit to equity for equity settled share-based payments	21	-	2,127,391	2,127,391
Balance at 31 March 2019		1,000	12,544,762	12,545,762

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Corona Corporate Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1-2 Castle Lane, London, SW1E 6DR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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

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

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Transactions with related parties which are wholly owned subsidiaries of the company's parent have not been disclosed as permitted by section 33 of FRS102.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Corona Corporate Solutions Limited is a wholly owned subsidiary of Harrow Topco Limited and the results of Corona Corporate Solutions Limited are included in the consolidated financial statements of Harrow Topco Limited which are available from 1-2 Castle Lane London SW1E 6DR.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The company has three main revenue streams, being equipment sales of multi-functional devices and telephone systems, services and maintenance of equipment sold and telephone network services, including the provision of line rental and telephone calls.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is three years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 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	20% on cost
Computers	33% on cost
Motor vehicles	25% on cost

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.

1.6 Fixed asset investments

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 company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

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

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets 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.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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.

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 company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade creditors and loans from fellow group companies 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 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.

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.13 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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 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 a Monte Carlo 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.

1.16 Leases

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

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Application of section 26 of FRS 102-share-based payment

Certain features of equity issued by the company's parent undertaking, Harrow Topco Limited, to members of the company's staff bring those instruments within the scope of the share-based payment provisions of FRS 102, and accordingly a share-based payment charge has been recognised in the financial statements. Disclosure is given in the notes to the financial statements. Judgement is also required in selecting the model to be applied in measuring the charge.

Key sources of estimation uncertainty

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

Recoverability of debtors

In estimating debtors' recoverability, the directors have considered the nature of objective evidence concerning loss events for individually significant items. Debtors that are not individually significant are grouped on the basis of similar credit risks.

Revenue recognition

In estimating accrued and deferred income the directors have regard to the nature of the services provided and the terms of agreement with customers.

3 Turnover and other revenue

	2019 £	2018 £
Turnover analysed by class of business		
Equipment sales	16,698,643	11,464,427
Maintenance & service	10,353,250	5,507,678
Telephone network services	721,051	175,562
Telephone network sales	856,126	-
	<u>28,629,070</u>	<u>17,147,667</u>
	2019 £	2018 £
Other significant revenue		
Interest income	-	331
	<u>-</u>	<u>331</u>

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Exceptional costs

	2019	2018
	£	£
Discontinued Property	3,667	-
Human Resources	48,750	-
Mergers and Acquisitions	104,429	-
Legal fees	41,831	-
One-off bonus	51,210	-
Dilapidations	6,620	-
IT regarding acquisitions	24,924	-
Other professional fees	13,750	-
	<u>295,181</u>	<u>-</u>

5 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	47,372	3,394
Profit on disposal of tangible fixed assets	(600)	-
Amortisation of intangible assets	232,687	232,686
Share-based payments	2,127,391	-
Operating lease charges	466,651	277,237
	<u>2,874,101</u>	<u>513,317</u>

6 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>142,555</u>	<u>-</u>

7 Employees

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

	2019	2018
	Number	Number
Sales	66	18
Service	22	44
Administration	21	14
	<u>109</u>	<u>76</u>

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2019	2018
		£	£
	Wages and salaries	6,907,414	5,427,988
	Pension costs	67,572	26,270
		<u>6,974,986</u>	<u>5,454,258</u>
8	Directors' remuneration		
		2019	2018
		£	£
	Remuneration for qualifying services	<u>566,870</u>	<u>18,000</u>
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
		2019	2018
		£	£
	Remuneration for qualifying services	<u>330,127</u>	<u>18,000</u>
9	Interest receivable and similar income		
		2019	2018
		£	£
	Interest income		
	Interest on bank deposits	<u>-</u>	<u>331</u>
10	Interest payable and similar expenses		
		2019	2018
		£	£
	Other interest on financial liabilities	<u>10,655</u>	<u>13,531</u>
11	Taxation		
		2019	2018
		£	£
	Current tax		
	UK corporation tax on profits for the current period	430,573	673,510
	Adjustments in respect of prior periods	116,322	-
	Total current tax	<u>546,895</u>	<u>673,510</u>

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Taxation

(Continued)

	2019 £	2018 £
Current tax		
Deferred tax		
Origination and reversal of timing differences	4,021	-
Adjustment in respect of prior periods	(39,139)	-
Total deferred tax	(35,118)	-
Total tax charge	511,777	673,510

Following budget announcements the rate of UK corporation tax will fall to 17% in 2020.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	5,248,233	3,797,044
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	997,164	721,438
Tax effect of expenses that are not deductible in determining taxable profit	447,776	29,878
Tax effect of income not taxable in determining taxable profit	(114)	-
Effect of change in corporation tax rate	2,124	-
Group relief	(1,012,356)	(73,215)
Depreciation on assets not qualifying for tax allowances	-	646
Under/(over) provided in prior years	116,322	(5,237)
Deferred tax adjustments in respect of prior years	(39,139)	-
Taxation charge for the year	511,777	673,510

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2018 and 31 March 2019	1,217,501
Amortisation and impairment	
At 1 April 2018	752,128
Amortisation charged for the year	232,687
At 31 March 2019	984,815
Carrying amount	
At 31 March 2019	232,686
At 31 March 2018	465,373

13 Tangible fixed assets

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost				
At 1 April 2018	15,147	29,566	4,167	48,880
Additions	348,423	152,392	-	500,815
Disposals	-	-	(4,167)	(4,167)
At 31 March 2019	363,570	181,958	-	545,528
Depreciation and impairment				
At 1 April 2018	13,193	25,119	4,167	42,479
Depreciation charged in the year	20,844	26,528	-	47,372
Eliminated in respect of disposals	-	-	(4,167)	(4,167)
At 31 March 2019	34,037	51,647	-	85,684
Carrying amount				
At 31 March 2019	329,533	130,311	-	459,844
At 31 March 2018	1,954	4,447	-	6,401

14 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	15	2,761,348	2,761,348

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2018 & 31 March 2019	2,761,348
Carrying amount	
At 31 March 2019	2,761,348
At 31 March 2018	2,761,348

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Corporate Information & Communication Technology Limited	1	Supply and maintenance of telecommunications devices	Ordinary	100.00	

Registered Office address:

1 1-2 Castle Lane London SW1E 6DR

16 Stocks

	2019 £	2018 £
Finished goods and goods for resale	1,056,468	463,449

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	3,586,985	1,328,968
Corporation tax recoverable	16,863	-
Amounts owed by group undertakings	14,411,496	4,666,528
Other debtors	329,490	391,528
Prepayments and accrued income	1,311,484	443,639
	<u>19,656,318</u>	<u>6,830,663</u>
Deferred tax asset (note 19)	35,118	-
	<u>19,691,436</u>	<u>6,830,663</u>

18 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,876,927	693,956
Amounts owed to group undertakings	8,589,004	3,885,066
Corporation tax	-	355,209
Other taxation and social security	1,307,531	804,451
Other creditors	24,983	8,295
Accruals	1,500,640	1,011,762
	<u>14,299,085</u>	<u>6,758,739</u>

19 Deferred taxation

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

	Assets 2019 £	Assets 2018 £
Balances:		
Fixed asset timing differences	24,992	-
Short term timing differences	10,126	-
	<u>35,118</u>	<u>-</u>

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

19 Deferred taxation

(Continued)

	2019 £
Movements in the year:	
Liability at 1 April 2018	-
Credit to profit or loss	(35,118)
Asset at 31 March 2019	<u>(35,118)</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to fixed asset and other timing differences that are expected to mature within the same period.

20 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>55,619</u>	<u>23,128</u>

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

21 Share-based payment transactions

Equity instruments other than share options

During 2019, the company's ultimate parent issued 3,637 A ordinary shares, 195,015 B ordinary shares, 50,000 C ordinary shares and 1 D ordinary share to employees. The terms of issue of these shares brings them within the scope of section 26 of FRS102. The weighted average fair value of those instruments at the measurement date, being the date of issue, was as follows:

	£
A and B shares	12.60
C shares	12.54
D shares	639,689

Fair value was estimated using a Monte Carlo simulation model. This model was deemed appropriate due to the manner in which shareholders' respective entitlement to rights are determined by its articles of association.

The total expense recognised in the period was £2,127,391 (2018 - £nil). An equivalent credit is recognised in reserves.

22 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
1,000 1,000 of £1 each	<u>1,000</u>	<u>1,000</u>

CORONA CORPORATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

23 Financial commitments, guarantees and contingent liabilities

The company has guaranteed the bank borrowings of a parent undertaking. The liability under these borrowings at 31 March 2019 was £63.25 million. A charge over the company's assets has been created in respect of these borrowings.

24 Operating lease commitments

Lessee

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

	2019 £	2018 £
Within one year	393,784	172,561
Between two and five years	1,299,707	146,137
In over five years	516,370	-
	<u>2,209,861</u>	<u>318,698</u>

25 Directors' transactions

A loan of £391,020 to Mr J and Mrs K Stephens existed at 1 April 2018. £229,633 was repaid during the year. The balance outstanding at 31 March 2019 was £161,387. No interest was charged on the loan.

Dividends totalling £0 (2018 - £0) were paid in the year in respect of shares held by the company's directors.

26 Ultimate controlling party

The Company is a subsidiary undertaking of Harrow Topco Limited, whose registered office is 1-2 Castle Lane London SW1E 6DR. This is the smallest and largest group for which consolidated accounts are prepared which include the results of the company. Consolidated accounts are available from 1-2 Castle Lane London SW1E 6DR.

The Company's ultimate parent undertaking is H.I.G. Europe Capital Partners II,LP, an entity incorporated in the Cayman Islands.