

Company Registration No. 03457111

CRISTIE DATA LIMITED

Report and Financial Statements

31 March 2019

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CRISTIE DATA LIMITED

REPORT AND FINANCIAL STATEMENTS 2019

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CRISTIE DATA LIMITED

REPORT AND FINANCIAL STATEMENTS 2019

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A MacSween
S Cunningham

SECRETARY

A McDonald

REGISTERED OFFICE

3rd Floor
11-21 Paul Street
London
EC2A 4JU

BANKERS

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

INDEPENDENT AUDITORS

Grant Thornton UK LLP
Level 8, 110 Queen Street
Glasgow
G1 3BX

SOLICITORS

Shepherd & Wedderburn LLP
5th Floor, 1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

Pinsent Masons LLP
141 Bothwell Street
Glasgow
G2 7EQ

CRISTIE DATA LIMITED

DIRECTORS' REPORT **Year ended 31 March 2019**

The directors present their annual report and the audited financial statements for the year ended 31 March 2019. This directors' report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The results for the period are set out on page 6. The profit before taxation was £279,572 (2018: loss of £125,548).

The directors do not recommend the payment of a dividend (2018: £nil).

DIRECTORS AND THEIR INTERESTS

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

A MacSween
S Cunningham (appointed 4 September 2018)
S Blakemore (resigned 20 August 2018)
R Logan (resigned 4 September 2018)
R Smith (resigned 5 December 2018)

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

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

GOING CONCERN

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

CRISTIE DATA LIMITED

DIRECTORS' REPORT **Year ended 31 March 2019**

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

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.

AUDITORS

A resolution to appoint Deloitte LLP, Chartered Accountants, as auditors was put forward and agreed upon at the Annual General Meeting of iomart Group plc (parent company of Cristie Data Limited) on 27 August 2019.

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



A McDonald
Company Secretary
25 September 2019

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

Opinion

We have audited the financial statements of Cristie Data Limited (the 'company') for the year ended 31 March 2019, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 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 opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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 directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' exemptions from the requirement to prepare a strategic report; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Jonathan Maile BSC (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
1 October 2019

CRISTIE DATA LIMITED

STATEMENT OF COMPREHENSIVE INCOME Year ended 31 March 2019

	Note	2019 £	2018 (restated, note 2) £
TURNOVER	3	7,527,905	6,915,939
Cost of sales		<u>(5,266,876)</u>	<u>(5,106,946)</u>
GROSS PROFIT		2,261,029	1,808,993
Administrative expenses		<u>(1,981,457)</u>	<u>(1,934,541)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	279,572	(125,548)
Tax on profit/(loss) on ordinary activities	6	<u>(6,746)</u>	<u>9,955</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>272,826</u></u>	<u><u>(115,593)</u></u>

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

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

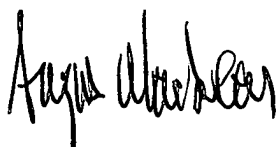
CRISTIE DATA LIMITED

STATEMENT OF FINANCIAL POSITION As at 31 March 2019

	Note	2019 £	2018 (restated, note 2) £
ASSETS			
Non-current assets			
Tangible fixed assets	7	544,842	291,144
Deferred tax asset	10	18,963	15,754
		<u>563,805</u>	<u>306,898</u>
Current assets			
Debtors	8	6,061,762	5,398,108
Cash		15,299	168,999
		<u>6,077,061</u>	<u>5,567,107</u>
Creditors: amounts falling due within one year	9	<u>(4,315,013)</u>	<u>(3,714,245)</u>
Net current assets		<u>1,762,048</u>	<u>1,852,862</u>
NET ASSETS		<u>2,325,853</u>	<u>2,159,760</u>
CAPITAL AND RESERVES			
Called up share capital	11	321,250	321,250
Capital redemption reserve		5,625	5,625
Share premium account		373,950	373,950
Other reserves		10,087	116,820
Profit and loss account		1,614,941	1,342,115
SHAREHOLDERS' FUNDS		<u>2,325,853</u>	<u>2,159,760</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Directors and authorised for issue on 25 September 2019 and are signed on their behalf by:



A MacSween
Director

Company number: 03457111

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

CRISTIE DATA LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

	Share Capital £	Capital redemption reserve £	Share premium account £	Other reserves £	Profit and loss account £	Total £
Balance 1 April 2017	321,250	5,625	373,950	212,068	1,216,250	2,129,143
Prior year restatement*	-	-	-	(141,458)	141,458	-
IFRS 15 restatement (note 2)	-	-	-	-	100,000	100,000
Balance at 1 April 2017 (restated, note 2)	321,250	5,625	373,950	70,610	1,457,708	2,229,143
Loss for the financial year (restated, note 2)	-	-	-	-	(115,593)	(115,593)
Total transactions with owners						
Share based payments	-	-	-	46,210	-	46,210
Balance at 31 March 2018 (restated, note 2)	321,250	5,625	373,950	116,820	1,342,115	2,159,760
Profit for the financial year	-	-	-	-	272,826	272,826
Total transactions with owners						
Share based payments	-	-	-	(106,733)	-	(106,733)
Balance at 31 March 2019	321,250	5,625	373,950	10,087	1,614,941	2,325,853

*Prior year restatement - In the current year, the opening profit and loss account reserve at 1 April 2017 has been restated by £141,458 with a corresponding debit entry to other reserves of £141,458 relating to a misposting to other reserves in the prior year. This was a reserve adjustment only with no impact on the statement of comprehensive income.

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

CRISTIE DATA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

1. COMPANY INFORMATION

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

2. ACCOUNTING POLICIES

Statement of compliance

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

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

Parent company

The Company is a wholly owned subsidiary of iomart Group plc which prepares publicly available consolidated financial statements in accordance with IFRS. This Company is included in the consolidated financial statements of iomart Group plc for the year ended 31 March 2018. These accounts are available from iomart Group plc, Lister Pavilion, Kelvin Campus, West of Scotland Science Park, Glasgow, G20 0SP.

Disclosure exemptions adopted

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2019

2. ACCOUNTING POLICIES (CONTINUED)

IFRS 15 - Revenue from Contracts with Customers

During the current year, the iomart Group plc and each of its subsidiary undertakings, implemented IFRS 15 Revenue from Contracts with Customers. Some changes in accounting policy results, principally in the following key area:

- Revenue from the provision of domain names was previously recognised at the point of sale when the title to the domain name passed to the customer. Under IFRS 15, revenue is now split between the registration of the domain, which is recognised at the point of sale, and the ongoing services, which are over the period of registration of the domain, impacting revenue and deferred revenue disclosed within trade and other payables.
- In line with the recognition of revenue, sales commission earned on revenue, which was previously spread over a twelve- month period, is now spread over the life of the contract to which the commission relates, impacting cost of sales and deferred commission costs disclosed within trade and other receivables. The commission figure spread is inclusive of employers' national insurance contributions.

The opening profit and loss reserve balance at 1 April 2017 was restated by £100,000 with a corresponding entry to debit deferred commissions of £100,000. The profit and loss reserve balance at 1 April 2018 was restated by £2,000 with a corresponding entry to debit deferred commissions of £2,000. Detailed disclosures on the transition to IFRS 15 and the current initial impact assessment of IFRS 15 are included in note 2 of the iomart Group plc (the parent company) financial statements at 31 March 2019.

IFRS 9 – Financial Instruments

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments of IFRS 7 Financial Instruments: Disclosures that are effective for an annual period that begins on or after 1 April 2018. The Company has elected to apply the transition provisions of IFRS 9 and opted not to restate comparatives. Any differences from the adoption of IFRS 9 in relation to classification, measurement and impairment are recognised in retained earnings. IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities;
2. Impairment of financial assets; and
3. Hedge accounting.

There has not been a material impact to the Company on adoption of IFRS 9.

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

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

Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Property, plant and equipment

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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2019

2. ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

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

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

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

Financial assets

Financial assets include trade, other receivables, prepayments, and cash and cash equivalents. The date of initial application of IFRS 9 (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 April 2018.

Classification and measurement of financial assets

The Company classifies financial assets into three categories:

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

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

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

The Company reviewed and assessed the Company’s existing financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has no impact on the Company’s financial assets as regards their classification and measurement.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2. ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

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

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

The Company has applied the IFRS 9 simplified approach to measuring forward-looking expected credit losses (“ECL”) which uses a lifetime expected loss allowance for all trade receivables. The ECL model reflects a probability weighted amount derived from a range of possible outcomes. To measure the ECL, trade debtors have been grouped based on shared credit risk characteristics and the days past due. The Company has established a provision matrix based on the payment profiles of sales over a twenty four month period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information that might affect the ability of customers to settle the receivables, including macroeconomic factors as relevant. The financial impact for the year ended 31 March 2019 was immaterial.

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

Financial liabilities

Classification and measurement of financial liabilities

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

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

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

Hedge accounting

The new hedge accounting requirements of IFRS 9 do not impact the Company financial liabilities.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits, which is presented as cash at bank and in hand in the statement of financial position.

Cash equivalents comprises short-term, highly liquid investments with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2019

2. ACCOUNTING POLICIES (continued)

Revenue recognition

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

Operating expenses

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

Foreign currency translation

Foreign currency transactions are translated into the Company’s functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the re-measurement of monetary items denominated in foreign currency at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Where a gain or loss on a non-monetary item is recognised in other comprehensive income the foreign exchange component of that gain or loss is also recognised in other comprehensive income.

Taxation

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

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

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

Pensions

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

CRISTIE DATA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2019

2. ACCOUNTING POLICIES (continued)

Share based payments

The company operated two share based payment employee share option schemes during the year; a SAYE sharesave scheme and a number of unapproved schemes. Both schemes are settled in equity only and are summarised below:

Scheme Description	Vesting Period	Maximum Term	Performance Criteria	Requirement to remain in employment
Unapproved Scheme	Up to 3 years from grant	10 years after date of grant	As set by the remuneration committee of iomart Group plc	Yes
Sharesave Scheme	3 years from grant	6 months after vesting date	No criteria set	Yes

The performance criteria as set by the Remuneration Committee of iomart Group plc (the company's parent company) are based on the achievement of annual objectives and continuous employment. Unapproved Scheme which is for selected employees, the Sharesave Scheme is made available to all employees who have successfully passed their relevant probation period.

As disclosed in note 5, a share based payment credit of £106,733 (2018: charge of £46,210) has been recognised in the statement of comprehensive income during the year in relation to the above schemes. The fair value of the employee services received is valued indirectly by valuing the options granted using the Black-Scholes option pricing model. The charge allocated to the company is driven by a calculation within iomart Group plc with the relevant charge being determined by the staff numbers allocated to the company. The detailed assumptions adopted in estimating this charge are outlined within note 26 of the iomart Group plc financial statements to 31 March 2019.

Capital and reserves

Capital and reserves comprise the following:

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

Key judgements and sources of estimation uncertainty

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

CRISTIE DATA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3. TURNOVER

The company provides data storage, backup and virtualisation solutions. Revenue from the supply of hardware or software, and the provision of services in respect of installation or training, is recognised when delivery and installation of the equipment is completed. Revenue from the sale of cloud computing infrastructure and support services is spread evenly over the period of the agreement and only after the service has been established. Any unearned portion of revenue is included in payables as deferred revenue.

Geographical market by destination	2019	2018
	£	£
United Kingdom	7,134,351	6,803,597
Rest of the World	393,554	112,342
	<u>7,527,905</u>	<u>6,915,939</u>

Analysis of turnover	2019	2018
	£	£
Sale of goods	4,452,718	4,281,807
Provision of services	3,075,187	2,634,132
	<u>7,527,905</u>	<u>6,915,939</u>

4. OPERATING PROFIT/(LOSS)

	2019	2018
	£	£
Operating profit/(loss) is stated after charging/(crediting):		
Depreciation of tangible assets – owned assets (note 7)	198,962	141,676
Gain on foreign exchange transactions	(1,729)	(2,411)
Auditors' remuneration	6,000	6,000
	<u>193,233</u>	<u>145,265</u>

5. DIRECTORS AND EMPLOYEES

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

Staff cost recharged from other Group entities were:

	2019	2018
	£	£
Wages and salaries	1,281,338	1,153,789
Social security costs	166,502	133,039
Share based payments	(106,733)	46,210
Pension costs	26,908	6,212
	<u>1,368,015</u>	<u>1,339,250</u>

CRISTIE DATA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Analysis of the tax charge/(credit)	2019 £	2018 (restated, note 2) £
Corporation tax ordinary activities	-	(9,955)
Adjustment in respect of prior years	9,955	-
	<hr/>	<hr/>
Total current taxation charge/(credit)	9,955	(9,955)
Origination and reversal of timing differences	(7,102)	-
Adjustment in respect of prior years	3,145	-
Effect of change in tax rates	748	-
	<hr/>	<hr/>
Total deferred tax credit	(3,209)	-
	<hr/>	<hr/>
Total taxation charge/(credit)	<u>6,746</u>	<u>(9,955)</u>
Factors affecting the tax charge for the current year	2019 £	2018 (restated, note 2) £
Profit/(loss) on ordinary activities before taxation	279,572	(125,548)
	<hr/>	<hr/>
Tax at 19% (2018: 19%) thereon:	53,119	(23,854)
Effects of:		
Tax effect of share based remuneration	(20,279)	8,780
Group relief	(40,527)	4,372
Adjustments in respect of prior years – current tax	9,955	-
Adjustments in respect of prior years – deferred tax	3,145	(860)
Movement in deferred tax relating to changes in tax rates	748	1,070
Expenses not deductible for tax purposes	585	537
	<hr/>	<hr/>
Total taxation charge/(credit) for the year	<u>6,746</u>	<u>(9,955)</u>

A number of changes to the UK Corporation tax system were announced in the March 2016 budget statement with the main rate of corporation tax reduced from 18% to 17% from 1 April 2020. These changes were substantively enacted in the prior year and therefore are included in these financial statements.

CRISTIE DATA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

7. TANGIBLE FIXED ASSETS

	Leasehold Improve- ments £	Fixtures & fittings £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 April 2018	51,454	87,772	8,700	884,876	1,032,802
Additions	-	7,136	-	445,524	452,660
At 31 March 2019	51,454	94,908	8,700	1,330,400	1,485,462
Accumulated depreciation					
At 1 April 2018	19,243	60,576	8,700	653,139	741,658
Charge for the year	7,084	15,997	-	175,881	198,962
At 31 March 2019	26,327	76,573	8,700	829,020	940,620
Net book value					
At 31 March 2019	25,127	18,335	-	501,380	544,842
At 31 March 2018	32,211	27,196	-	231,737	291,144

8. DEBTORS

	2019 £	2018 (restated, note 2) £
Amounts falling due within one year		
Trade debtors	2,010,734	1,035,205
Amounts owed by group undertakings	1,736,359	2,300,926
Prepayments and accrued income	2,302,250	1,953,035
Corporation tax	6,919	104,423
Other debtors	5,500	4,519
	6,061,762	5,398,108

The Directors consider that the carrying amount of trade and other debtors is approximately equal to their fair value. The Company has adopted IFRS 9 during the current year and applied the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit loss provision under IFRS 9 as at 31 March 2019 is £13,932 with a corresponding entry to the income statement. In the prior year, the impairment of trade debtors was assessed based on the incurred loss model under IAS 39. The allowance provision for impairment calculated under IAS 39 "Financial instruments: recognition and measurement" and IFRS 9 "Financial Instruments" at 1 April 2018 are not materially different, accordingly, there are no adjustments on transition.

CRISTIE DATA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	1,240,029	992,447
Other taxation and social security	77,980	103,845
Accruals and deferred income	2,997,004	2,617,953
	<u>4,315,013</u>	<u>3,714,245</u>

10. DEFERRED TAX ASSET

	2019	2018
	£	£
The movement in the deferred taxation asset account during the year was:		
Balance brought forward	15,754	5,799
Credited to statement of comprehensive income during the year (note 6)	3,209	9,955
Balance carried forward	<u>18,963</u>	<u>15,754</u>

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

Capital allowances	<u>18,963</u>	<u>15,754</u>
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11. SHARE CAPITAL

	No.	£
At 31 March 2019 and 31 March 2018		
Allotted, called up and fully paid:		
Ordinary shares of £0.05 each	<u>6,425,000</u>	<u>321,250</u>

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

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

13. RELATED PARTY TRANSACTIONS

As permitted by FRS 101, related party transactions with iomart Group plc and its other wholly owned subsidiaries have not been disclosed. Related party transactions regarding remuneration and dividends paid to key management (only directors are deemed to fall into this category) of the Company have been disclosed in note 27 of the iomart Group plc financial statements.