Parasol Limited

Annual Report and Financial Statements

For the year ended 31 October 2021

Registered number: 03940716

PARASOL LIMITED

Company information

Directors	W J Catterick D Crawford
Registered number	03940716
Registered office	Optionis House 840 Ibis Court Centre Park Warrington Cheshire WA1 1RL
Independent auditor	BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT

PARASOL LIMITED

Contents

PARASOL LIMITED

Strategic report
For the year ended 31 October 2021

Principal activity

Parasol Limited ("the Company") is a provider of contractors to customers.

Business review and future developments

Turnover increased 85% in the year to £744.0m (2020: increased 40% to £402.8m) while operating profit increased by 429% to £3.7m (2020: fell 41.4% to £0.7m). Net assets increased to £17.2m (2020: £13.6m). The reasoning for the increase in turnover is due to the changes in IR35 legislation which has driven an increase in client numbers to 11,100 (2020: 7,554) and ultimately driven up revenue. New offerings have been introduced into the service range in order to further increase the client numbers.

Given the nature of the business, the directors are of the opinion that analysis using any KPIs in addition to those already stated is not necessary for an understanding of the development, performance or position of the Company. Although we expect the marketplace to be as competitive as ever, with continued focus on customer service and our extensive range of services we expect our turnover and operating profit to grow in the foreseeable future.

On 20 September 2022 the Group had a change of ownership when Optionis Limited sold it's investment in Optionis Group Limited to Clareant Business Services Holdings 2 Limited. We draw your attention to Note 22 Post Balance Sheet Events which details the impact of this change.

Section 172 Statement

The board promotes the success of the Company for the benefit of a broad range of stakeholders that we recognise are material to the long-term future success of our business. We consider the impact on our stakeholders throughout all our discussions and decisions. Like any business, we are sometimes required to take decisions that adversely affect one or more of these Groups and, in such cases, we always look to ensure that those impacted are treated fairly. We have detailed below how the board have ensured effective engagement with our key stakeholders during the year.

Section 172 Statement (continued)

Why they are important to our business:	How we engage to both consider their interests and needs and update them:
Clients Our clients are the central focus of our business. The Company's ongoing success is built upon an ability to understand clients' needs and respond with solutions. This allows us to anticipate how these needs will evolve and to provide services and products that meet their goals and build their future prosperity.	We engage with our clients through a variety of channels including: • Periodic surveys to understand their needs, current challenges and concerns to ensure we evolve the business and its solutions to meet their needs. • Engagement of a strategy consulting firm who have undertaken surveys of our clients and the wider agile workforce market to highlight how our offering should evolve to meet their needs. • Regular webinars and podcasts to support and engage with our clients on changes affecting our industry. • Publishing a CEO blog in the current year to keep our umbrella base up to date with the latest guidance and policy in relation to the Coronavirus Job Retention Scheme.
People Our people are our biggest asset and are central to the ongoing success of the Company. Our people strategy aims to develop an agile workforce as we continue to attract, retain, develop and motivate the right people for our current and future business needs.	We engage with our people through the following activities: • Bi-annual employee opinion survey. • Ensuring every member of staff was involved in the development of our new vision and values with engagement sessions held by the executive and senior management team in every office. • Our visions and values launch sessions – "V festival" (online due to Covid-19) - where the executive team fed back the output from the engagement sessions. • Regular management briefings. • Our monthly internal online magazine ("the Optimist"). • Presentations by the executive team to discuss performance and the firm's new vision, values and strategic plan. Additionally, in the current year and the unprecedented times we have all faced, the Board have ensured that the health, wellbeing and safety of our employees is the highest priority. Consequently, we ensured that as many employees as possible who could work from home have done so. Where this was impractical either due to the nature of the role, or our employees circumstances, significant changes to work practices have been implemented to ensure all our employees can work in a safe environment and ensure social distancing was adhered to at all times.

PARASOL LIMITED

Strategic Report (continued)

Section 172 Statement (continued)

Partners and regulators We recognise the importance of our various partners in delivering services to clients and ensure we have shared values. We seek to build positive relationships with our regulators. Regulators provide key oversight of how we run our business.	We engage with our partners and regulators through the following activities: • We ensure our payment terms with all suppliers are fair and in compliance with payment practices. • We maintain ongoing relations with our key suppliers and partners during the year in general and ensure we proactively engage on specific challenges or changes (internally or externally driven) quickly. • We continue our work in the area of preventing modern slavery. Our latest Modern Slavery Statement can be found on our website. We held regular meetings with all our regulators (HMRC and other Government agencies) during the year and have a proactive and transparent relationship with them.
Society and communities We recognise the responsibility we have to wider society and other key stakeholders. As a significant employer for several areas where we are based, the local communities are keen to ensure we are supporting and investing in local jobs, operating safely and ethically.	We engage with society and the communities in which we operate through the following activities: • We offer a wide-ranging apprenticeship scheme and the ultimate parent Company, Optionis Limited, was named as a top 10 apprenticeship provider by the government alongside others HMRC, BT and the Armed Forces. • On an annual basis we select a charity to support.

The table below shows the key events and decisions made by the Board during the year, the stakeholders they impacted, and the associated actions taken by the directors to engage with the relevant stakeholders. Events are considered to be key if they are either material to the business or have a significant impact on one or more category of stakeholder.

Section 172 Statement (continued)

Key event and stakeholders affected	Actions and impact
Exit process Affecting - Lenders and shareholders	• The Group discussed and agreed to enter exit process on behalf of our investors in August 21. • Regular updates on the timing and progress were given to both our investors and our banking partners. • As disclosed in note 22 to the accounts the process has ultimately resulted in a successful change of ownership on 20 September 2022 which was supported by both our investors and lenders.
Furlough Affecting – Employees	• The Coronavirus job retention scheme ("CJRS") had been intended to end on 31 October 2020. The Company had in the previous year committed to support our contractor employees through until this point to support our employees. • The Company was the only Umbrella company to have made that commitment post 31 July 2020 when the costs associated with doing so increased. • On 31 October 2020 the government announced a second national lockdown would begin on 5 November 2020 for a period of 4 weeks and that the CJRS would be extended. • The Company committed at the point to continue to support our employees under the scheme through until 31 December 2020.

Principal risks and financial risk management

The Group has an active and robust corporate governance programme designed to manage strategic and tactical risks which could impact the business. Risks are clearly identified and monitored on a regular basis.

With clear objectives, and an experienced management team, the Company believes it is on course to continue its growth by being the pre-eminent, national provider of accountancy and tax services offered to umbrella contractors. The key risks and uncertainties currently facing the business are as follows:

PARASOL LIMITED

Strategic Report (continued)

For the year ended 31 October 2021

Principal risks and financial risk management (continued)

Operating risk

Managing the Company's businesses is dependent upon the ability to process a large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, employee errors, failure to properly document transactions or to obtain proper internal authorisation, failure to comply with regulatory requirements and business principles, resource shortages, equipment failures, natural disasters or the failure of external systems.

Although the Company has implemented risk controls and loss mitigation actions, and resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely, certain that such procedures will be effective in controlling the operational risks faced by the Company.

The Company recognise the competition within the marketplace, however, does not consider price risk to be a significant risk to the business.

The impact of the Covid-19 pandemic and cost of living crisis is far reaching across the economy and therefore, the demand for contractor placements has fallen. The impact of these factors has been taken into account in cashflow forecasts and rolling forecasts are maintained so that preventative actions can be taken should there be further impact on the Company's client numbers.

Liquidity risk

The Company has a low exposure to liquidity risks as it continues to generate free cash-flows and has sufficient liquid assets to manage any short-term liquidity issues. However, the Company continues to monitor its commitments and liabilities to ensure that the Company is not exposed to liquidity risks.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk.

PARASOL LIMITED

Strategic Report (continued)

For the year ended 31 October 2021

Principal risks and financial risk management (continued)

Fraud risk management
The Company has implemented risk controls and maintains such internal checks and accounting policies as it deems appropriate to prevent fraud within the Company.

Although resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely, certain that such procedures will be effective in preventing fraud.

Legislation risk
The Company's business model is reliant on its ability to provide recurring employment solutions. Any changes to employment and tax legislation are a potential business risk to the Company which is mitigated through the variety of routes to market available to the Company.

This report was approved by the board on 31 October 2022 and signed on its behalf.

D Crawford
Director

PARASOL LIMITED

Directors' report
For the year ended 31 October 2021

The directors present their report and audited financial statements for the year ended 31 October 2021.

Directors

The directors who served during the year to approval of financial statements were:

W J Catterick
D Crawford

Business review and future developments

The profit of the Company for the year was £3,574,063 (2020: £502,137). Further details on business review and future developments are provided on page 1.

Employee engagement

The Company engages with Employees via frequent whole business updates from the director and senior management teams. There is a monthly Group wide newsletter which communicates both Company and industry changes to all employees. During the year, communication has largely been via virtual meetings and presentations, due to the majority of the Company's employees working from home, in addition to emails and newsletters.

Engagement workshops were held at the end of 2019, each employee had an opportunity to attend and share the views on the business, its objective and its strategies. The feedback from these sessions was used to shape the updated Group's vision and values that have been launched during the prior year.

Each employee receives a half-yearly appraisal to evaluate their performance against the Group values, this appraisal is linked to changes in reward and remuneration. In addition, there is a VIP reward scheme that gives awards to those that have delivered exceptional service.

Financial risk management

Measures taken towards financial risk management are enumerated within the Strategic report above.

Dividends

The directors have not recommended the payment of a dividend (2020: £nil).

Directors liabilities

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties subject to conditions set up in Section 234 of the Companies Act 2006.

Directors' report (continued)
For the year ended 31 October 2021

Streamlined energy and carbon reporting

The energy consumed by the Company is in the form of fuel for transport purposes.

Greenhouse gas emissions	2021 kg CO_2e	2020 kg CO_2e
Scope 1 Direct emissions		
Transport: Employee Journeys travelled for business purposes	4,367	13,443
Transport: Umbrella contractor Journeys travelled for business purposes	414,696	755,242
Scope 2 Indirect emissions		
Grid electricity purchased for use in offices	111,200	130,574
Total Carbon emissions	**530,263**	899,259
Carbon emissions per £1m Revenue	**712**	2,231

Methodology

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), Scopes 1, 2 and 3, and emission factors from the 2021 UK Government's GHG Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in kilogram CO2e per £1m of revenue. This is the consensus ratio for the sector.

Data assumptions

Assumptions have been applied where data cannot be obtained. This includes the estimation of electricity usage for a small number of properties. Where there is no data available, usage is determined by reference to the usage per square foot of comparable properties. Where data is incomplete, averages have been applied based on available data to calculate annual usage.

Global GHG emissions

The GHG emissions are from 1st November 2020 to 31 October 2021. We have seen a 66% reduction in our CO2e kgs per £1m of revenue. A detailed breakdown is provided in the table above compared against the prior year.

Directors' report (continued)
For the year ended 31 October 2021

Streamlined energy and carbon reporting (continued)

To minimise our carbon emissions, employees are encouraged to communicate via technology wherever possible and to power off all non-essential electrical items outside of office hours. The nature of the services provided means that some face-to-face meetings are required. The opportunity for the Company to reduce emissions output by the umbrella contractors is extremely minimal, these are out of the control of the Company.

The nature of the services provided, largely office based services, means that the Company has minimal impact on the environment with low greenhouse gas emissions.

Going concern

The Company has a net asset position as at 31 October 2021 of £17,154,581 (2020: £13,580,518) and has recorded a profit of £3,574,063 (2020: £502,137). The Group, of which Parasol Limited is a part of, regularly review market and financial forecasts and has reviewed its trading prospects in its key markets. As a result, it believes its trading performance will demonstrate improvement in the coming years, and that liquidity will remain strong. Therefore, the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The board has reviewed the latest forecasts of the Group and considered the obligations of the Group's financing arrangements. Following the change in control on 20 September 2022 the Group agreed an update to its funding structure and available facilities. As a result the Group's bank debt was reduced by £70.9m and the unsecured loan notes (£54.0m) and interest (£12.9m) were extinguished in full. Post this transaction the total Group bank debt and interest was reduced to £50m. Subsequently, on 27 October the Group also agreed an extension to its banking facilities with a new £10m facility agreed and in place until at least 31 December 2023.

Following these changes the Group expects to continue to operate well within its available facilities and with significant headroom to its requirements. As part of the refinancing the covenant tests for the Group were also amended and there are no tests falling due until 31 January 2024. Given the continued strong liquidity of the Group, the board has concluded that a going concern basis of preparation of the Group and Company financial statements is appropriate.

Employees

The Company policy enhances achievement of a common awareness during the year, of all employees in relation to the financial and economic factors that affect the performance of the Company by providing employees with information on training and other key developments as well as continued communication to ensure that the employees' views are taken into account when decisions are made which are likely to affect their interests. The Company has continued to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The Company's policy includes the provision of suitable training and opportunities to promote the career development of people with disabilities, and where practicable, the continued employment of those who may become disabled during their employment.

Directors' report (continued)
For the year ended 31 October 2021
Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

Disclosure of information to auditor
The directors at the time when this Directors' report is approved have confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor
The auditor, BDO LLP have indicated their willingness to continue in office. A resolution that they be reappointed will be proposed at the annual general meeting.

This report was approved by the board on 31 October 2022 and signed on its behalf.

D Crawford
Director

PARASOL LIMITED

Corporate Governance Report

The board recognises the importance of good corporate governance in facilitating effective, entrepreneurial and prudent management that can support the long-term success of the Company and delivery of all of its stakeholders objectives. The Company is not quoted and therefore is not required to comply with the UK Corporate Governance Code (the Code). However, the Company is required to consider the Wates Principles (the Principles), which were originally published in 2018. Prior to this requirement the board had already developed, and continues to keep under review, its own governance arrangements. In practice this has meant adopting and reflecting elements of the Code where we consider they are appropriate for a Group of our size and complexity and now having regard to the corporate governance arrangements set out in the Principles. Corporate Governance is overseen at a board level, the board sits over all companies of the Optionis Group, which includes Parasol Limited.

Purpose and strategic leadership

The role of the board is to establish the purpose, vision and strategy for the Company, to deliver shareholder value and be responsible for the long-term success of the Group. Individual members of the board have equal responsibility for the overall stewardship, management and performance of the Group and for the approval of its long-term objectives and strategic plans. The board oversees all the companies in the Optionis Group. It comprised a non-executive chairman and two executive directors during the year. The directors are supported by the executive management team which is comprised of a further 5 senior executive leaders. All members of the executive management team submit reports directly to the board on a monthly basis and also attended the monthly board meetings to present on their business area directly throughout the year.

The members of the board and executive team maintain the appropriate balance of experience, independence and knowledge of the Group to enable them to discharge their respective duties and responsibilities and to ensure that the requirements of the business can be met. The board, with the support of the executive management team, acknowledges its collective responsibility for ensuring the long-term success of the Group by demonstrating strong leadership, setting strategy and business models, managing performance and ensuring the necessary resources are in place to deliver. It also holds itself accountable for looking after the needs of all its stakeholders, including employees, shareholders and the broader community and environment.

Composition of the board and executive management team

A strong feature of the board's effectiveness in delivering the strategy is our inclusive and open style of management and a free flow of information between the executive directors, non-executive chairman and non execs, the executive management team and our majority investors who had two representatives in attendance at all board meetings throughout 2021. The conduct of these meetings encourages individuals to discuss matters openly and freely and to make a personal contribution through the exercise of their personal skills and experience. Consequently, no individual or group of individuals dominate the board's decision-making process. Vacancies on the board and executive management team are filled following a rigorous evaluation of candidates who possess the required balance of skills, knowledge and experience, using recruitment consultants where appropriate. All decisions to recruit at the board or executive management team level are recommended by the Chief Executive officer to the Chairman for approval. Once approved the process for the appointment of directors is managed by the Group's Chief People officer.

Corporate Governance Report (continued)

Composition of the board and executive management team (continued)

The Group recognises the importance of diversity at board and executive management level and that the Group comprises individuals with a wide range of skills and experience from a variety of business backgrounds.

Post year end the composition of the board has changed following the change of ownership in September 2022. As a result of this transaction the board has been updated and compromises the two executive directors, a new independent chairman, an independent non-executive director and a non-executive director who is a employee of the Group's new owner.

Board responsibilities

Division of responsibilities

There is a clear division of responsibilities between the role of the Chairman and that of the Chief Executive Officer of the Group. The primary responsibility of the Chairman is to lead and manage the board and that of the Chief Executive is to manage the business of the Group.

The Chairman

The Chairman is responsible for leading the board, setting its agenda and ensuring its effectiveness in all aspects of its role. He works closely with the Chief Executive on developing Group strategy and provides general advice and support without directly being involved in day-to-day management of delivery. He also promotes effective and constructive dialogue and challenge between the Executive Directors, Executive Management team and the Group's majority shareholders.

The Chief Executive Officer

The Chief Executive Officers principal responsibility is to manage the Group's business and to lead the executive management team. He is responsible for ensuring the executive management team deliver on the agreed strategic objectives set by the board and maintaining strong relationships with the Chairman, the board and key shareholders and stakeholders.

Board committees

The board has delegated specific authority to the Audit Committee and the Remuneration Committee. The Audit Committee has the primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Group is properly measured and reported on and reviewing reports from the Group's auditors. The Audit Committee meets at least twice a year.

The Remuneration Committee reviews the performance of the Executive Directors and Executive Management team and determines their terms and conditions of service, including their remuneration and the award of any equity-based remuneration. In practice the Remuneration Committee engages with the Group's majority shareholder prior to finalising recommendations of both the executive directors' and executive management team's remuneration. This open and proactive approach ensures that there is a clear alignment between the remuneration of directors and executive management and our delivery of our strategy. The Committee also agrees all board and executive management team vacancies and approves the recommended candidates to fill such vacancies as and when they arise. The Remuneration Committee will meet at least annually and additionally as required.

Corporate Governance Report (continued)

Risk Management

The Group's corporate objective is to maximise long-term shareholder value. In doing so, the directors recognise that creating value is a reward for taking and accepting risk. The Directors consider risk management to be crucial to the Group's success and give a high priority to ensuring that adequate systems are in place to evaluate and limit risk exposure.

Internal control and financial reporting

The board are responsible for the Company's system of internal control and for reviewing its effectiveness across its operations. The Company's system of internal financial control includes restrictions on payment authorisations and execution and, where appropriate and possible, duties are segregated. The annual budgeting, forecasting and monthly management reporting system, which applies throughout the Group, enables trends to be evaluated and variances to be acted upon. The Group board and Executive Management team receives monthly financial information on results and other performance data and reviews financial and performance data at each of its monthly meetings.

Any system of internal control, however, is designed to manage, rather than eliminate the risk of failure to achieve business objectives and client outcomes. In establishing and reviewing the system of internal controls the directors consider the nature and extent of relevant risks, the likelihood of a loss being incurred and costs of control.

Going concern

The Company's business activities, together with the factors likely to affect its future development and performance, are set out in the strategic review. In addition, the strategic review refers to the Group's capital position and cash flows.

In carrying out their duties in respect of going concern, the directors carry out a review of the Group's financial position and cash flow forecasts for the foreseeable future. These are based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the current economic environment.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Stakeholder relationships and engagement

The board is keen to ensure ongoing and effective communication with all stakeholders. Further reading on stakeholder engagement can be found in our Section 172 statement on pages 1 to 4.

The corporate governance report for the year ended 31 October 2021 was approved by the board on 31 October 2022 and signed on its behalf by:

D Crawford
Director

Independent auditor's report to the members of Parasol Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2021 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.

We have audited the financial statements of Parasol Limited ("the Company") for the year ended 31 October 2021 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independence

We remain 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.

Conclusions relating to going concern

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

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

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

Independent auditor's report to the members of Parasol Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

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

Independent auditor's report to the members of Parasol Limited (continued)

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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.

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

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

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements.

These included but were not limited to those that relate to the form and content of the financial statements, such as the accounting policies, United Kingdom Generally Accepted Accounting Practice, the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

Independent auditor's report to the members of Parasol Limited (continued)

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific keywords and manual journals to revenue and cash;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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

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

Use of our report

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

DocuSigned by:
Gary Harding
3F4CAF6004D9456...

Gary Harding (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester
31 October 2022

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

PARASOL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 October 2021

	Note	**Year ended 31-Oct 2021 £**	Year ended 31-Oct 2020 £
Turnover	5	**744,000,866**	402,815,144
Cost of sales for contracted employees	6	**(730,702,218)**	(393,945,448)
Net fee margin		**13,298,648**	8,869,696
Administration expenses – non-exceptional		**(9,830,077)**	(10,955,367)
Administration expenses – exceptional	7	**10,866**	(993,153)
Administration expenses – total		**(9,819,211)**	(11,948,520)
Other income	7	**246,181**	3,750,493
Operating profit		**3,725,618**	671,669
Interest receivable and similar income	8	**-**	30,887
Interest payable and similar expenses	9	**(196,607)**	(164,042)
Profit before taxation		**3,529,011**	538,514
Tax credit/(charge) on profit	10	**45,052**	(36,377)
Profit and total comprehensive income for the financial year		**3,574,063**	502,137

The notes on pages 21 to 37 form part of these financial statements.

All operations relate to continuing activities.

There is no other comprehensive income for the year (2020 - £nil).

PARASOL LIMITED

STATEMENT OF FINANCIAL POSITION

As at the 31 October 2021

	Note	31-Oct 2021 £	31-Oct 2020 £
Fixed Assets			
Intangible assets	11	**72,923**	141,546
Tangible assets	12	**151,444**	122,690
Deferred tax	15	**136,594**	91,542
		360,961	355,778
Current assets			
Debtors	13	**160,307,414**	99,657,566
Cash at bank and in hand		**65,885,127**	43,588,036
		226,192,541	143,245,602
Creditors: amounts falling due within one year	14	**(208,942,392)**	(129,326,053)
Net current assets		**17,250,149**	13,919,549
Total assets less current liabilities		**17,611,110**	14,275,327
Provisions for liabilities	16	**(456,529)**	(694,809)
Net assets		**17,154,581**	13,580,518
Capital and reserves			
Called up share capital	17	**50,000**	50,000
Retained earnings	18	**17,104,581**	13,530,518
Total equity		**17,154,581**	13,580,518

The notes on pages 21 to 37 form part of these financial statements.

The financial statements were approved by the board of directors on 31 October 2022.

Signed on behalf of the board of directors:

D Crawford
Director
Registered Number: 03940716

PARASOL LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2021

	Called up share capital £	Retained earnings £	Total equity £
At 1 November 2019	50,000	13,028,381	13,078,381
Profit and total comprehensive income for the financial year	-	502,137	502,137
At 31 October 2020	50,000	13,530,518	13,580,518
Profit and total comprehensive income for the financial year	-	3,574,063	3,574,063
At 31 October 2021	**50,000**	**17,104,581**	**17,154,581**

The notes on pages 21 to 37 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Company information

Parasol Limited is a private limited company, limited by shares as disclosed in note 17, incorporated and domiciled in the United Kingdom.

The registered office is Optionis House, 840 Ibis Court, Centre Park, Warrington, Cheshire, WA1 1RL.

2. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

In accordance with section 390 of the Companies Act 2006 the Financial Statements have been drawn up to 31 October 2021.

The financial statements are presented in Sterling (£) which is the functional currency and rounded to the nearest £ Sterling.

The company has also adopted the following disclosure exemptions:

- categories of financial instruments;
- key management personnel disclosure;
- items of income, expenses, gains or losses relating to financial instruments;
- exposure to and management of financial risks;
- the requirement to present a statement of cash flows and related notes; and
- related party disclosures relating to transactions entered into between two or more wholly owned members of the Group.
- The Company is a wholly-owned subsidiary of Optionis Group Limited and is included in the consolidated financial statements of Optionis Group Limited which are publicly available. Consequently, the Company has taken advantage of the exemptions from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Going concern

The company has a net asset position as at 31 October 2021 of £17,154,581 (2020: £13,580,518) and has recorded a profit of £3,574,063 (2020: £502,137). The Group, of which Parasol Limited is a part of, regularly review market and financial forecasts and has reviewed its trading prospects in its key markets. As a result, it believes its trading performance will demonstrate improvement in the coming years, and that liquidity will remain strong. Therefore, the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

2. Basis of preparation

Going concern (continued)

Following the change in control on 20 September 2022 the Group agreed an update to its funding structure and available facilities. As a result the Group's bank debt was reduced by £70.9m and the unsecured loan notes (£54.0m) and interest (£12.9m) were extinguished in full. Post this transaction the total Group bank debt and interest was reduced to £50m. Subsequently, on 27 October the Group also agreed an extension to its banking facilities with a new £10m facility agreed and in place until at least 31 December 2023.

Following these changes the Group expects to continue to operate well within its available facilities and with significant headroom to its requirements. As part of the refinancing the covenant tests for the Group were also amended and there are no tests falling due until 31 January 2024. Given the continued strong liquidity of the Group, the board has concluded that a going concern basis of preparation of the Group and Company financial statements is appropriate.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Revenue recognition

It is management's judgement that the company acts as a principal in arrangements when invoicing on behalf of its contractors (who are engaged by the company on permanent employment contracts) to recruitment agencies. As the employment and other risks are borne by the company in holding the contractors as their employees the company is considered to be a principal in the arrangement in line with FRS 102 section 23.21. Accordingly, turnover represents the amount invoiced and collected from recruitment agencies for fulfilling assignments at their end clients using employees of the company, including arrangements where no commission is directly receivable by the company. If the company were considered to be acting as an agent revenue would represent commission receivable relating to supply of temporary workers' and would not include remuneration costs of the temporary workers. Whilst the different treatment would impact the quantum of revenue and cost of sales for contracted employees it would have no effect on the reported earnings before interest, tax, depreciation or amortisation of the company.

Contracted WIP provision

The company recognises a provision based on management's best estimate of consultancy costs partially claimed on completed assignments. Based on analysis performed the company have assessed this and consider the provision should cover unclaimed amounts for a period of six months based on the actual evidence of the utilisation of this provision in previous years.

4. Principal accounting policies

4.1 Turnover

Turnover represents the fair value of consideration received or receivable from the sale of consultancy services. Fair value reflects the amount agreed in the form of contractual charges for each type of service. Fee income is stated net of amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes.

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Right to consideration is based on the company confirming completion of its contractual obligations in relation to the services provided.

Services provided to clients during the year which at the year-end have not been invoiced to clients are recognised as fee income and accrued within the statement of financial position. Amounts which have been invoiced as at the year-end but where the service has not been delivered at that time are included within deferred income within the statement of financial position.

The contractor will complete an assignment for an agency who will then pay Parasol the agreed contract rate (after deducting their fee). Parasol will then recognise the gross revenue in respect of this assignment and the cost of the contractor. Once the contractor then submits their timesheet, Parasol will transfer the remuneration due to the contractor to them after deducting the fee (margin).

This means that there are two elements of revenue recognised; the gross revenue received from the agency which is recognised when the money is received from the agency (which is net nil as it is equal to the cost of the contactors), and the margin recognised when processing timesheets.

4.2 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised in the income statement in the year in which they are incurred.

4.3 Interest payable and similar charges

Interest payable and similar charges are recognised in the income statement in the year in which they are incurred.

4.4 Leases

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

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

4. Principal accounting policies (continued)

4.5 Property, plant and equipment

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

Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment, other than freehold land, over their expected useful lives, using the straight-line method.

The rates applicable are:

Long term leasehold property improvement	Term of lease
Fixtures and fittings	4 years
Computer equipment	3 years

4.6 Intangible assets

Intangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of the asset over their estimated useful lives, using the straight-line method. The rates applicable are:

Website	3 years
Software	3 years

The useful lives of software and the website were determined by reference to the period of time that future benefit is expected to be derived from the asset.

4.7 Impairment of assets

At each reporting date, property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

4.8 Investments

Investments in subsidiaries are accounted for at cost less impairment.

4.9 Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

4. Principal accounting policies (continued)

4.9 Financial instruments (continued)

4.9.1 Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

4.9.2 Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expired.

4. Principal accounting policies (continued)

4.10 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the year it arises.

4.11 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting year using the tax rates and laws that that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense / (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense / (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

4. Principal accounting policies (continued)

4.11 Taxation (continued)

Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.12 Dividend income

Dividend income is recognised when the right to receive payment is established.

4.13 Government Grants

Grants are of a revenue nature and are recognised in the income statement within "other income" in the same period as the related expenditure. The company received income from the Coronavirus Job Retention Scheme during the period.

5. Turnover

All turnover is generated from the rendering of similar services and is reviewed by the directors on a single segment basis. The company trades within one geographical location, the United Kingdom.

6. Directors and employees

	Year ended 31 October 2021	Year ended 31 October 2020
	£	£
Operational Staff		
Wages and salaries	**3,045,914**	2,461,876
Social security costs	**292,784**	261,348
Other pension costs	**83,945**	71,289
	3,422,643	2,794,513

6. Directors and employees (continued)

	Year ended 31 October 2021	Year ended 31 October 2020
	£	£
Consultancy Services		
Wages and salaries	**635,657,367**	346,377,506
Social security costs	**75,904,788**	40,196,942
Other pension costs	**16,897,404**	2,964,014
Expenses	**2,260,659**	4,406,986
Cost of sales for contracted employees	**730,720,218**	393,945,448
Furlough Payments	**246,181**	3,750,493
Total contracted employee costs	**730,966,399**	397,695,941

The employee costs include the cost of operational staff working directly for the Company, in addition to a proportion of the Optionis Group central staff costs. These are allocated between the Optionis Group companies.

	Year ended 31 October 2021	Year ended 31 October 2020
	Number	Number
Average number of employees		
Operational staff	**49**	43
Consultancy services	**11,252**	7,554

The employee numbers include the operational staff that work directly for the Company.

All operational staff costs were borne by Optionis Group Limited which operates as a centralised cost centre. Recharges are made to subsidiary companies for operational staff at a reasonable margin. The remaining centralised staff remain employees of Optionis Group Limited with these costs recharged to the other Group companies as a management charge.

Furlough payments represent payments made under the Coronavirus Job Retention scheme; these payments were made to employees that in the normal course of business offer rechargeable consultancy services.

6. Directors and employees (continued)

Directors' emoluments

The directors' emoluments in the year were £470,476 (2020: £750,581).

The highest paid director received remuneration of £300,308 (2020: £280,000).
Directors' emoluments were paid by Optionis Group Limited. No recharges were made to the company for the directors' services and the directors do not believe it possible to apportion the remuneration between the companies.

7. Operating Profit

The operating profit is stated after (crediting)/charging:

	Note	**Year ended 31 October 2021 £**	Year ended 31 October 2020 £
Loss on disposal		**69,527**	56,329
Depreciation	12	**209,468**	131,258
Amortisation	11	**38,004**	13,554
Operating leases – land and buildings	19	**125,743**	121,178
Movement in provisions	16	**(238,280)**	(100,031)
Impairment of trade receivables		**(88,955)**	(46,212)
Exceptional administration expenses		**10,866**	(993,153)
Government grants (Coronavirus Job Retention Scheme)		**(246,181)**	(3,750,493)

Exceptional administration expenses related to additional costs incurred in supporting the furlough scheme for contracted employees. These costs were borne by Parasol Limited and could not be recovered from HMRC.

Fees payable for the audit of the company's financial statements of £48,150 (2020: £45,860) have been incurred by a Group member. No recharges were made to the company for such costs.

Government grants are included within other income within the Statement of Comprehensive Income

8. Interest receivable and similar income

	Year ended 31 October 2021 £	Year ended 31 October 2020 £
Bank interest receivable	**-**	30,887

9. Interest payable and similar expenses

	Year ended 31 October 2021 £	Year ended 31 October 2020 £
Interest payable on loans and overdrafts	**179,042**	146,365
Bank interest & similar charges	**17,565**	17,677
	196,607	164,042

10. Tax on profit

	Note	Year ended 31 October 2021 £	Year ended 31 October 2020 £
UK corporation tax at 19% (2020: 19%)		-	-
Adjustments in respect of prior periods		-	-
Current tax		-	-
Origination and reversal of timing differences		**(46,182)**	51,426
Adjustments in respect of prior periods		**1,130**	(15,049)
Deferred tax	15	**(45,052)**	36,377
Total tax (credit)/charge on profit on ordinary activities		**(45,052)**	36,377

10. Tax on profit (continued)

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained as follows:

	Year ended 31 October 2021	Year ended 31 October 2020
	£	£
Profit on ordinary activities before tax	**3,529,011**	538,514
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	**670,512**	102,318
Effects of:		
Adjustments in respect of prior periods	**30,038**	-
Rate changes	**(47,851)**	(15,049)
Group relief claimed	**(697,348)**	(116,663)
Expenses not deductible	**(403)**	65,771
Total tax (credit)/charge on profit on ordinary activities	**(45,052)**	36,377

Factors affecting future tax charges

In the Spring budget 2021, the government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. The proposal to increase the rate to 25% was substantively enacted in May 2021 and as such the effect is included in the calculation of the deferred tax provisions as at the reporting date. This will affect the calculation of future deferred tax charges.

11. Intangible assets

	Website	Software	Total
	£	£	£
Cost			
At 1 November 2020	16,452	167,738	184,190
Additions	-	146,040	146,040
Transfers		(176,659)	(176,659)
At 31 October 2021	**16,452**	**137,119**	**153,571**
Accumulated amortisation			
At 1 November 2020	16,452	26,192	42,644
Charged during the year	-	38,004	38,004
At 31 October 2021	**16,452**	**64,196**	**80,648**
Net book value			
At 31 October 2021	**-**	**72,923**	**72,923**
At 31 October 2020	-	141,546	141,546

The following investments are held by Parasol Limited at 31 October 2021:

Entity	Class of shares	Proportion held	Country of incorporation	Nature of business
Silverline Performance Limited	Ordinary	100%	England & Wales	Dormant

The registered office address for all the above entities is Optionis House, 840 Ibis Court, Centre Park, Warrington, Cheshire WA1 1RL.

12. Tangible assets

	Leasehold property improvements	Fixtures & fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 November 2020	51,617	83,380	936,578	1,071,575
Additions	-	-	307,749	307,749
Disposals	-	-	(69,527)	(69,527)
At 31 October 2021	**51,617**	**83,380**	**1,174,800**	**1,309,797**
Accumulated depreciation				
At 1 November 2020	27,822	79,062	842,001	948,885
Charged during the year	4,692	2,972	201,804	209,468
At 31 October 2021	**32,514**	**82,034**	**1,043,805**	**1,158,353**
Net book value				
At 31 October 2021	**19,103**	**1,346**	**130,995**	**151,444**
At 31 October 2020	23,795	4,318	94,577	122,690

13. Debtors

	Year ended 31 October 2021 £	Year ended 31 October 2020 £
Current		
Trade debtors	**21,879,845**	7,891,967
Amounts due from Group undertakings	**84,931,253**	67,348,693
Other debtors	**3,547,007**	2,859,768
Prepayments and other accrued income	**49,949,309**	21,557,138
	160,307,414	99,657,566

Trade debtors are stated net of provisions of £88,955 (2020: £46,212). Amounts due from Group undertakings are unsecured, interest free and repayable on demand.

	31 October 2021 £	31 October 2020 £
Non-current		
Deferred tax (Note 15)	**136,594**	91,542

14. Creditors: amounts falling due within one year

	31 October 2021 £	31 October 2020 £
Trade creditors	**207,729**	364,048
Amounts owed to Group undertakings	**46,959,892**	39,895,643
Taxation and social security	**82,396,856**	38,635,650
RCF loan repayable	**4,425,000**	4,425,000
Other creditors	**3,126,582**	1,719,338
Accruals and deferred income	**71,826,333**	44,286,374
	208,942,392	129,326,053

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

The Group has a loan with GLAS, a private debt provider, of £4,425,000 (2020: £4,425,000). The balance on this loan was repaid in full in September 2022. The effective interest rate during the year was 3.4%.

15. Deferred tax

The deferred taxation provision is provided for at 25% (2020 - 19%) in the financial statements, and is set out below:

	31 October 2021	31 October 2020
	£	£
Accelerated capital allowances	**136,594**	91,542

	2021	2020
	£	£
At the beginning of the year	**91,542**	127,919
Deferred tax credit/(charge) to income statement for period	**45,052**	(36,377)
At the end of the year	**136,594**	91,542

16. Provisions for liabilities

	Dilapidations	**WIP**	**Total**
	£	**£**	**£**
At 1 November 2020	78,667	616,142	694,809
Additions	-	-	-
Utilised	-	(238,280)	(238,280)
At 31 October 2021	**78,667**	**377, 862**	**456,529**

The dilapidations provision relates to the best estimate of future reparation costs in relation to leases occupied by the company. The provision is expected to be utilised in line with the cessation of each of the leases.

Management calculates the cost incurred on each consultancy assignment. This calculation includes a provision for the remaining cost required to settle the company's constructive obligations in relation to work performed on an assignment. Based on analysis performed the Group have assessed this and consider the provision should cover unclaimed amounts for a period of six months based on the actual evidence of the utilisation of this provision in previous years.

Management use judgement to determine how long to hold these provisions and on a periodic basis this judgement is reviewed by management based on historical experience and is therefore subject to changes over time based on actual performance. Any changes in the judgements made in relation to the level of provision required are reflected in the income statement.

17. Called up share capital

	31 October 2021 £	31 October 2020 £
Allotted, issued and fully paid		
50,000 (2020: 50,000) ordinary shares of £1 each	**50,000**	50,000

18. Reserves

Called up share capital – represents the nominal value of shares that have been issued.

Retained earnings – represents the accumulated profits, losses and distributions of the company.

19. Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	31 October 2021 £	31 October 2020 £
Land & buildings:		
Within one year	**121,110**	132,374
Between two and five years	**527,487**	529,495
Over five years	**-**	132,374
	648,597	794,243
Other:		
Within one year	**10,112**	2,744
Between two and five years	**38,427**	-
Over five years	**9,101**	-
	57,640	2,744

20. Related parties

The company has taken advantage of the exemption available within FRS102 section 33 not to disclose transactions with fellow wholly owned Group undertakings.

Key management personnel

The directors, who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel.

21. Ultimate controlling party

The company's immediate parent undertaking is Optionis Management Limited, a company incorporated in United Kingdom, by virtue of its shareholding.

In the directors' opinion, during the financial year the company's ultimate parent undertaking and controlling party is Optionis Limited, a company incorporated in the United Kingdom. A copy of the financial statements can be obtained from the Company Secretary at the company's address, being KD Tower, Cotterells, Hemel Hempstead, Hertfordshire, HP1 1FW.

In the opinion of the directors, there is no ultimate controlling party of the Group.

22. Post Balance Sheet Events

Post year end the Group issued loan notes of £4.6m to Sovereign Capital Partners in exchange for cash.

On 20 September 2022 the Group had a change of ownership when Optionis Limited sold it's investment in Optionis Group Limited to Clareant Business Services Holdings 2 Limited. Following the change in ownership the ultimate parent of the Group became Clareant Business Services Holdings Limited, a company incorporated in the United Kingdom. A copy of the financial statements can be obtained from the Company Secretary at the company's address, being 125 London Wall, 6th Floor, London, England, EC2Y 5AS.

As part of the change in control the Group funding structure was amended. As a result the Groups bank debt was reduced by £70.9m and the unsecured loan notes (£54.0m) and interest (£12.9m) were extinguished in full.