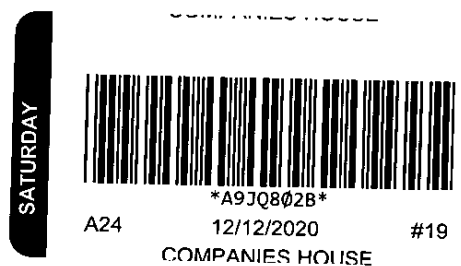


Company Registration No 10757162 (England and Wales)

**IWSR TOPCO LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2019**



# IWSR TOPCO LIMITED

## COMPANY INFORMATION

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|                          |   |
|--------------------------|---|
| <b>Directors</b>         | C G Walker<br>DJ Barbour<br>NE Smith<br>AVS Smith<br>M L Meek<br>S Woollett                               |
| <b>Company number</b>    | 10757162  |
| <b>Registered office</b> | 5 Fleet Place<br>London<br>EC4M 1RC   |
| <b>Auditor</b>           | RSM UK Audit LLP<br>Chartered Accountants<br>25 Farringdon Street<br>London<br>EC4A 4AB<br>United Kingdom |

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# IWSR TOPCO LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019

#### Introduction

The principal activity of the company is that of a holding company. The principal activity of the group is market research in the global beverage alcohol industry. The company tracks total beverage alcohol trends through granular volume, value and forecast data and insights spanning over 150 countries to help our clients better plan and grow their business.

On 5 April 2018 the group acquired 100 percent of the share capital of IWSR Drinks Market Analysis Limited (formerly System Three Communications London Limited). The company trades as 'The IWSR' and has 40 years of experience in providing essential analysis and market insights to the industry and those interested in understanding it.

On 3 January 2019 the company changed its name from India Topco Limited to IWSR Topco Limited. Our strategy is to continue to develop and evolve our systems and market information so that we increase our coverage and level of detail across the market. This will ensure that we remain the go to source of information on the industry. The group includes subsidiary companies in both the USA and Singapore.

#### Business review

Revenues for IWSR Drinks Market Analysis Limited (formerly System Three Communications London Limited) for the year end December 2019 increased by 18% (2018 increased 30%) due to increased investment in the commercial teams in the US subsidiary and an improved product offering. Cost of sales was carefully controlled leading to an increase in gross profit margin to 88% (2018 86%) this was partially driven by a reduction in third party costs as we ended a key joint venture. £150k of legal costs were incurred in terminating this agreement. Profit for the year was £637,192 (2018 £880,546).

#### Principal risks and uncertainties

Business risk arises mainly from technological changes and competitive pressures and these are kept under constant review. The company collects feedback from clients and the wider market which drives our product planning and technology roadmap.

#### Financial Risk Management

The Group's operations expose it to a variety of financial risks, including foreign exchange risks, credit risks and liquidity risks. There are controls in place that minimise any potential adverse effects of such risks on financial performance. These are as follows:

**Foreign exchange risk.** The group's transactions are primarily denominated in GBP, USD and EUR and we seek to mitigate exchange risk exposure by matching costs and revenues in the same currency. The Singapore subsidiary costs (where matching is not possible) are currently immaterial but this will be monitored.

**Credit Risk.** The Group had £11k bad debt in the year. The process for onboarding new clients (particularly those based overseas) has been improved and investments made in finance software to improve our credit control function.

**Liquidity Risk.** New finance software was introduced in Q4 2019 which provides improved visibility for cashflow planning. Standard credit terms are 30 days and any customer requesting extended terms of split invoices must be approved by a Director. Aged debtors are reviewed regularly and debt collection services have been used as appropriate.

# IWSR TOPCO LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### Key Performance Indicators

Group member IWSR Drinks Market Analysis generated an operating profit of £1.037k for the year ending 2019. On this basis management believe the business to be operating as a going concern.

Management's focus during the year has been to focus on revenue growth, growing the proportion of recurring revenue and the renewal of customer contracts. Key performance indicators include the following:

Year on year revenue growth 14.9%

The key performance indicators shown above relate to the ongoing trade of IWSR Drinks Market Analysis Limited.

#### Future developments

The group will continue to invest in product development and people during 2020 as part of a strategic plan to deliver growth.

As at the date of signing the Covid-19 virus has impacted the environment in which the Company operates. Although many parts of the Beverage Alcohol sector are thriving, we are seeing smaller clients and those focused on Travel Retail show signs of distress. This has been considered in the Post Balance Sheet Events note to the Financial Statements. The Company has adjusted its forecasts for FY20 in light of the virus but remains in a strong position with 84% of sales for the year already booked in. The board of directors are confident in delivering this forecast and showing growth in both revenue and EBITDA for the year.

On behalf of the board

For the Director signed by

*Sarah Woollett*

S Woollett  
Director

11 December 2019 10:44 AM  
Date

# IWSR TOPCO LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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

#### Directors

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

D G Walker

Du Barbour

T M Roe

Resigned 24 April 2019

NE Smith

AVS Smith

M L Meek

S Woollett

Appointed 12 November 2019

#### Results and dividends

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

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

#### Auditor

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

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Matters of strategic importance

The group has chosen in accordance with Companies Act 2006 s. 414C(1) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Sch. 7 to be contained in the directors' report.

On behalf of the board

DocuSigned by

Sarah Woollett

Signature

S Woollett

Director

Date 10 December 2020 05:44 PST

## **IWSR TOPCO LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

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

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IWSR TOPCO LIMITED**

### **Opinion**

We have audited the financial statements of IWSR Topco Limited (the parent company) and its subsidiaries (the group) for the year ended 31 December 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion on the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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 group's or the parent 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 our audit:

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Use of our report**

This report is made solely to the company's 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 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.

David Blacher ACCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom



# IWSR TOPCO LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

|   | Notes    | 2019<br>£          | 2018<br>£        |
|---|----------|--------------------|------------------|
| Turnover  | 3        | 7 562 767          | 6 297 608        |
| Cost of sales                                     |          | (927 041)          | (644 927)        |
| <b>Gross profit</b>                               |          | <b>6 635 726</b>   | <b>4 652 681</b> |
| Administrative expenses                           |          | (1 142 880)        | (4 850 137)      |
| Other operating income                            |          | 37 464             | 75 000           |
| <b>Operating loss</b>                             | <b>6</b> | <b>(469 690)</b>   | <b>(122 456)</b> |
| Interest receivable and similar income            | 8        | 2 031              | 2 174            |
| Interest payable and similar expenses             | 9        | (985 161)          | (712 600)        |
| <b>Loss before taxation</b>                       |          | <b>(1 452 820)</b> | <b>(832 882)</b> |
| Tax on loss                                       | 10       | 94 234             | 116 513          |
| <b>Loss for the financial year</b>                |          | <b>(1 547 054)</b> | <b>(716 369)</b> |
| <b>Other comprehensive income net of taxation</b> |          |                    |                  |
| Currency translation differences                  |          |                    | 660              |
| <b>Total comprehensive income for the year</b>    |          | <b>(1 547 054)</b> | <b>(715 709)</b> |

Loss for the financial year is all attributable to the owners of the parent company

Total comprehensive income for the year is all attributable to the owners of the parent company

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations

**IWSR TOPCO LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

|  | Notes | 2019              |   | 2018              |   |
|--|-------|-------------------|---|-------------------|---|
|  |       | £                 | £ | £                 | £ |
| <b>Fixed assets</b>  |       |                   |   |                   |   |
| Intangible assets  | 11    | 13 703 778        |   | 15 260 345        |   |
| Tangible assets  | 12    | 60 038            |   | 43 762            |   |
|  |       | <u>13 763 816</u> |   | <u>15 304 107</u> |   |
| <b>Current assets</b>  |       |                   |   |                   |   |
| Debtors  | 15    | 1 050 391         |   | 893 890           |   |
| Cash at bank and in hand                                       |       | 2 688 976         |   | 2 213 338         |   |
|  |       | <u>3 739 367</u>  |   | <u>3 107 228</u>  |   |
| <b>Creditors: amounts falling due within one year</b>          | 16    | 3 700 458         |   | 3 405 874         |   |
| <b>Net current assets/(liabilities)</b>                        |       | <u>38 909</u>     |   | <u>298 646</u>    |   |
| <b>Total assets less current liabilities</b>                   |       | <u>13 802 725</u> |   | <u>15 602 46</u>  |   |
| <b>Creditors: amounts falling due after more than one year</b> | 17    | 13 628 654        |   | 13 421 369        |   |
| <b>Provisions for liabilities</b>                              | 19    | 2 295 991         |   | 2 158 958         |   |
| <b>Net liabilities</b>   |       | <u>2 121 920</u>  |   | <u>574 866</u>    |   |
| <b>Capital and reserves</b>                                    |       |                   |   |                   |   |
| Called up share capital  | 21    | 1 410             |   | 1 410             |   |
| Share premium account  | 22    | 139 433           |   | 139 433           |   |
| Profit and loss reserves                                       | 22    | 2 262 763         |   | 715 709           |   |
| <b>Total equity</b>  |       | <u>2 121 920</u>  |   | <u>574 866</u>    |   |

The financial statements were approved by the board of directors and authorised for issue on 18.12.2019 and are signed on its behalf by

DocuSigned by

*Sarah Woollett*

Director

S Woollett

Director

**IWSR TOPCO LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

|  | Notes | 2019<br>£ | £              | 2018<br>£ | £              |
|--|-------|-----------|----------------|-----------|----------------|
| <b>Fixed assets</b>                          |       |           |                |           |                |
| Investments                                  | 13    |           | 72 423         |           | 72 423         |
| <b>Current assets</b>                        |       |           |                |           |                |
| Debtors                                      | 15    | 68 420    |                | 68 420    |                |
| <b>Net current assets</b>                    |       |           | 68 420         |           | 68 420         |
| <b>Total assets less current liabilities</b> |       |           | <u>140 843</u> |           | <u>140 843</u> |
| <b>Capital and reserves</b>                  |       |           |                |           |                |
| Called up share capital                      | 21    |           | 14 410         |           | 14 410         |
| Share premium account                        | 22    |           | 129 433        |           | 129 433        |
| <b>Total equity</b>                          |       |           | <u>140 843</u> |           | <u>140 843</u> |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's result for the year was £nil (2018 - £nil).

The financial statements were approved by the board of directors and authorised for issue on 27 January 2020 and are signed on its behalf by:

Director (Signed by)

*Sarah Woodlett*

S Woodlett

Director

# IWSR TOPCO LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

|  | Notes | Share capital<br>£ | Share premium account<br>£ | Profit and loss reserves<br>£ | Total<br>£ |
|--|-------|--------------------|----------------------------|-------------------------------|------------|
| <b>Balance at 1 January 2018</b>                 |       | -                  | -                          | -                             | -          |
| <b>Year ended 31 December 2018:</b>              |       |                    |                            |                               |            |
| Loss for the year                                |       | -                  | -                          | 716 369                       | 716 369    |
| Other comprehensive income net of taxation       |       | -                  | -                          | -                             | -          |
| Currency translation differences                 |       | -                  | -                          | 660                           | 660        |
| Total comprehensive income for the year          |       | -                  | -                          | 715 709                       | 715 709    |
| Issue of share capital                           | 21    | 1 409              | 139 433                    | -                             | 140 842    |
| <b>Balance at 31 December 2018</b>               |       | 410                | 139 433                    | 715 709                       | 574 866    |
| <b>Year ended 31 December 2019:</b>              |       |                    |                            |                               |            |
| Loss and total comprehensive income for the year |       | -                  | -                          | 1 547 054                     | 1 547 054  |
| <b>Balance at 31 December 2019</b>               |       | 1 410              | 139 433                    | 2 262 763                     | 2 121 923  |

# IWSR TOPCO LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

|  | Notes | Share capital<br>£ | Share premium account<br>£ | Total<br>£ |
|--|-------|--------------------|----------------------------|------------|
| <b>Balance at 1 January 2018</b>                   |       | £ -                | £ -                        | £ -        |
| <b>Year ended 31 December 2018:</b>                |       |                    |                            |            |
| Profit and total comprehensive income for the year |       | £ -                | £ -                        | £ -        |
| Issue of share capital                             | 21    | 1,409              | 139,433                    | 140,842    |
| <b>Balance at 31 December 2018</b>                 |       | 1,410              | 139,433                    | 140,843    |
| <b>Year ended 31 December 2019:</b>                |       |                    |                            |            |
| Profit and total comprehensive income for the year |       | £ -                | £ -                        | £ -        |
| <b>Balance at 31 December 2019</b>                 |       | 1,410              | 139,433                    | 140,843    |

# IWSR TOPCO LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

|   | Notes | 2019<br>£        | £ | 2018<br>£        | £ |
|---|-------|------------------|---|------------------|---|
| <b>Cash flows from operating activities</b>         |       |                  |   |                  |   |
| Cash generated from operations                      | 23    | 1 979 692        |   | 3 655 493        |   |
| Interest paid                                       |       | 1 386 161        |   | 1 104 100        |   |
| <b>Net cash inflow from operating activities</b>    |       | <b>593 531</b>   |   | <b>3 551 393</b> |   |
| <b>Investing activities</b>                         |       |                  |   |                  |   |
| Purchase of intangible assets                       |       | 365 946          |   | 176 040          |   |
| Purchase of tangible fixed assets                   |       | 36 352           |   | 42 133           |   |
| Purchase of subsidiaries                            |       | -                |   | 7 577 180        |   |
| Interest received                                   |       | 3 021            |   | 2 174            |   |
| <b>Net cash used in investing activities</b>        |       | <b>399 299</b>   |   | <b>7 795 327</b> |   |
| <b>Financing activities</b>                         |       |                  |   |                  |   |
| Proceeds from issue of shares                       |       | -                |   | 140 842          |   |
| Proceeds from borrowings                            |       | 843 900          |   | 2 494 485        |   |
| Repayment of borrowings                             |       | 210 525          |   | -                |   |
| Proceeds of new bank loans                          |       | -                |   | 2 000 000        |   |
| Repayment of bank loans                             |       | 350 000          |   | 180 200          |   |
| <b>Net cash generated from financing activities</b> |       | <b>283 375</b>   |   | <b>6 455 127</b> |   |
| <b>Net increase in cash and cash equivalents</b>    |       | <b>475 638</b>   |   | <b>2 210 338</b> |   |
| Cash and cash equivalents at beginning of year      |       | 2 213 338        |   | -                |   |
| <b>Cash and cash equivalents at end of year</b>     |       | <b>2 688 976</b> |   | <b>2 213 338</b> |   |

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

#### Company information

IWSR Topco Limited (the company) is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 5 Fleet Place, London, EC4M 7RD.

The group consists of IWSR Topco Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Strategic Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006 including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

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

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

- Section 4: Statement of Financial Position – Reconciliation of the opening and closing number of shares
- Section 7: Statement of Cash Flows – Presentation of a statement of cash flow and related notes and disclosures
- Section 11: Basic Financial Instruments and Section 12: Other Financial Instrument Issues – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument, basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 26: Share-based Payment – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements
- Section 33: Related Party Disclosures – Compensation for key management personnel

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies (Continued)

#### Basis of consolidation

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

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against intangible fixed assets.

IWSR Drinks Market Analysis Limited (formerly System Three Communications (London) Limited) has been included in the group financial statements using the purchase method of accounting. Accordingly, the prior year group profit and loss account and statement of cash flows include the results and cash flows of IWSR Drinks Market Analysis Limited Limited for the nine month period from its acquisition on 5 April 2018. The purchase consideration was allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

#### Going concern

The directors have prepared the financial statements on a going concern basis. They have carried out a detailed review of the trading position and cash flow projections for the foreseeable future, including stress testing of the business considering recent uncertainty created by the COVID-19 virus. This included delays to client payment terms and an increase in bad debt. No scenario where the Group was stressed resulted in an inability to meet its medium-term cash requirements. The Group is investigating appropriate government support through a CBIL loan as a prudent measure to provide greater cash headroom through FY21.

#### Turnover

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



# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1 Accounting policies (Continued)

##### Research and development expenditure

Research expenditure is charged to the statement of comprehensive income in the year in which it is incurred.

Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Such expenditure is amortised over a period of five years from the date that it becomes operational.

##### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                        |                                     |
|------------------------|-------------------------------------|
| Software and databases | 12.5% - 33% per annum straight line |
| Primary database       | 10% per annum straight line         |
| Development costs      | 20% per annum straight line         |

##### Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                       |                             |
|-----------------------|-----------------------------|
| Plant and equipment   | 20% per annum straight line |
| Fixtures and fittings | 20% per annum straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### Fixed asset investments

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

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

# **IWSR TOPCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1 Accounting policies (Continued)**

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

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and cash held at banks.

##### **Financial instruments**

The group has elected to apply the provisions of Section 11, Basic Financial Instruments, and Section 12, Other Financial Instruments, Issues of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1 Accounting policies (Continued)

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

Financial assets other than those held at fair value through profit and loss are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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

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

Basic financial liabilities, including trade and other creditors, bank loans and loans from shareholders, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

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

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

##### **Equity instruments**

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

# **IWSR TOPCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1 Accounting policies (Continued)**

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if and only if there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

##### **Deferred tax**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against intangible fixed assets.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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

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

##### **Retirement benefits**

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

##### **Leases**

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

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1 Accounting policies (Continued)

##### Foreign exchange

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

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

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

Assets and liabilities of overseas subsidiaries are translated into the group's presentational currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation of the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

#### 2 Judgements and key sources of estimation uncertainty

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

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

#### 3 Turnover and other revenue

|   | 2019<br>£         | 2018<br>£         |
|---|-------------------|-------------------|
| <b>Other revenue</b>                            |                   |                   |
| Interest income                                 | 3,031             | 2,174             |
|   | <u>          </u> | <u>          </u> |
|   | 2019<br>£         | 2018<br>£         |
| <b>Turnover analysed by geographical market</b> |                   |                   |
| United Kingdom                                  | 1,672,626         | 5,297,608         |
| Europe  | 3,234,326         | -                 |
| Rest of world                                   | 2,655,815         | -                 |
|   | <u>7,562,767</u>  | <u>5,297,608</u>  |

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 4 Employees

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

|             | Group<br>2019<br>Number | 2018<br>Number | Company<br>2019<br>Number | 2018<br>Number |
|-------------|-------------------------|----------------|---------------------------|----------------|
| Consultancy | 2                       | 2              | -                         | -              |
| IT          | 6                       | 5              | -                         | -              |
| Magazine    | 2                       | 2              | -                         | -              |
| Marketing   | 3                       | 2              | -                         | -              |
| Research    | 19                      | 18             | -                         | -              |
| Sales       | 9                       | 8              | -                         | -              |
| Support     | 4                       | 5              | -                         | -              |
| Management  | 5                       | 5              | -                         | -              |
|             | <u>49</u>               | <u>47</u>      |                           |                |

The aggregate remuneration comprised

|                       | Group<br>2019<br>£ | 2018<br>£        | Company<br>2019<br>£ | 2018<br>£ |
|-----------------------|--------------------|------------------|----------------------|-----------|
| Wages and salaries    | 3 457 616          | 1 999 268        | -                    | -         |
| Social security costs | 362 200            | 204 905          | -                    | -         |
| Pension costs         | 44 300             | 17 113           | -                    | -         |
|                       | <u>3 864 116</u>   | <u>2 221 286</u> |                      |           |

### 5 Directors' remuneration

|   | 2019<br>£      | 2018<br>£        |
|---|----------------|------------------|
| Remuneration for qualifying services                          | 451 390        | 1 456 340        |
| Company pension contributions to defined contribution schemes | 3 441          | -                |
|   | <u>454 831</u> | <u>1 456 340</u> |

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

|   | 2019<br>£      | 2018<br>£        |
|---|----------------|------------------|
| Remuneration for qualifying services                          | 253 661        | 1 272 879        |
| Company pension contributions to defined contribution schemes | 1 618          | -                |
|   | <u>255 279</u> | <u>1 272 879</u> |

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 6 Operating loss

|  | 2019      | 2018      |
|--|-----------|-----------|
|  | £         | £         |
| Operating loss for the year is stated after charging / crediting |           |           |
| Exchange losses / gains  | 52,435    | (24,822)  |
| Research and development costs                                   | 99,843    | -         |
| Depreciation of owned tangible fixed assets                      | 20,077    | 10,512    |
| Amortisation of intangible assets                                | 1,922,513 | 1,403,470 |
| Operating lease charges  | 102,275   | 67,530    |

#### 7 Auditor's remuneration

|  | 2019   | 2018   |
|--|--------|--------|
|  | £      | £      |
| Fees payable to the company's auditor and its associates   |        |        |
| <b>For audit services</b>                                  |        |        |
| Audit of the financial statements of the group and company | 22,000 | 18,000 |

#### 8 Interest receivable and similar income

|                           | 2019  | 2018  |
|---------------------------|-------|-------|
|                           | £     | £     |
| <b>Interest income</b>    |       |       |
| Interest on bank deposits | 3,031 | 2,174 |

#### 9 Interest payable and similar expenses

|   | 2019           | 2018           |
|---|----------------|----------------|
|   | £              | £              |
| Interest on bank overdrafts and loans   | 116,376        | 104,100        |
| Other interest on financial liabilities | 869,785        | 608,500        |
| <b>Total finance costs</b>              | <b>986,161</b> | <b>712,600</b> |

#### 10 Taxation

|  | 2019            | 2018          |
|--|-----------------|---------------|
|  | £               | £             |
| <b>Current tax</b>                                   |                 |               |
| UK corporation tax on profits for the current period | 76,833          | 73,299        |
| Adjustments in respect of prior periods              | (119,632)       | -             |
| <b>Total current tax</b>                             | <b>(42,799)</b> | <b>73,299</b> |

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 10 Taxation (Continued)

#### Deferred tax

|  |          |          |
|--|----------|----------|
| Origination and reversal of timing differences | 1229 991 | 1189 812 |
| Adjustment in respect of prior periods         | 367 024  | -        |
| Total deferred tax                             | 137 033  | 189 812  |
| Total tax charge (credit)                      | 94 234   | 116 513  |

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

|  | 2019<br>£ | 2018<br>£ |
|--|-----------|-----------|
| Loss before taxation   | 1 452 820 | 832 882   |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%) | 276 036   | 158 248   |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 165 708   | 356 212   |
| Tax effect of utilisation of tax losses not previously recognised                                    | 4 947     | -         |
| Change in unrecognised deferred tax assets   | 25 460    | 9 678     |
| Adjustments in respect of prior years  | 279 520   | -         |
| Effect of change in corporation tax rate   | -         | 2 405     |
| Permanent capital allowances in excess of depreciation   | 206       | -         |
| Research and development tax credit  | 191 766   | -         |
| Share based payment charge   | -         | 355 820   |
| Remeasurement of deferred tax for changes in tax rates   | 2 657     | 33 260    |
| Other movements  | 1 254     | -         |
| Taxation charge (credit)   | 94 234    | 116 513   |



# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 11 Intangible fixed assets

| Group                              | Software and<br>databases<br>£ | Primary<br>database<br>£ | Development<br>costs<br>£ | Total<br>£ |
|------------------------------------|--------------------------------|--------------------------|---------------------------|------------|
| <b>Cost</b>                        |                                |                          |                           |            |
| At 1 January 2019                  | 424,302                        | 16,063,473               | 176,040                   | 16,663,815 |
| Additions                          | 83,909                         | -                        | 282,037                   | 365,946    |
| At 31 December 2019                | 508,211                        | 16,063,473               | 458,077                   | 17,029,761 |
| <b>Amortisation and impairment</b> |                                |                          |                           |            |
| At 1 January 2019                  | 182,160                        | 1,204,757                | 16,563                    | 1,403,470  |
| Amortisation charged for the year  | 251,603                        | 1,606,347                | 64,562                    | 1,922,513  |
| At 31 December 2019                | 433,763                        | 2,811,104                | 81,125                    | 3,325,989  |
| <b>Carrying amount</b>             |                                |                          |                           |            |
| At 31 December 2019                | 74,448                         | 13,252,369               | 376,951                   | 13,703,778 |
| At 31 December 2018                | 242,142                        | 14,858,716               | 159,487                   | 15,260,345 |

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

In the consolidated statement of comprehensive income, amortisation of intangible fixed assets is included in administrative expenses.

#### 12 Tangible fixed assets

| Group                              | Plant and<br>equipment<br>£ | Fixtures and<br>fittings<br>£ | Total<br>£ |
|------------------------------------|-----------------------------|-------------------------------|------------|
| <b>Cost</b>                        |                             |                               |            |
| At 1 January 2019                  | 43,429                      | 10,845                        | 54,274     |
| Additions                          | 32,056                      | 4,297                         | 36,353     |
| At 31 December 2019                | 75,485                      | 15,142                        | 90,627     |
| <b>Depreciation and impairment</b> |                             |                               |            |
| At 1 January 2019                  | 8,343                       | 2,169                         | 10,512     |
| Depreciation charged in the year   | 17,518                      | 2,559                         | 20,077     |
| At 31 December 2019                | 25,861                      | 4,728                         | 30,589     |
| <b>Carrying amount</b>             |                             |                               |            |
| At 31 December 2019                | 49,624                      | 10,414                        | 60,038     |
| At 31 December 2018                | 35,086                      | 8,676                         | 43,762     |

The company had no tangible fixed assets at 31 December 2019 or 31 December 2018.

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Fixed asset investments

|                             | Notes | Group<br>2019<br>£ | 2018<br>£ | Company<br>2019<br>£ | 2018<br>£ |
|-----------------------------|-------|--------------------|-----------|----------------------|-----------|
| Investments in subsidiaries | 14    |                    |           | 72,423               | 72,423    |

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 January 2019 and 31 December 2019

72,423

#### Carrying amount

At 31 December 2019

72,423

At 31 December 2018

72,423

### 14 Subsidiaries

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

| Name of undertaking                 | Registered office  | Nature of business | Class of shares held | % Held |          |
|-------------------------------------|--|--------------------|----------------------|--------|----------|
|                                     |  |                    |                      | Direct | Indirect |
| IWSR Midco Limited                  | United Kingdom*  | Holding company    | Ordinary             | 100.00 |          |
| IWSR Newco Limited                  | United Kingdom*  | Holding company    | Ordinary             |        | 100.00   |
| IWSR Drinks Market Analysis Limited | United Kingdom*  | Market research    | Ordinary             |        | 100.00   |
| IWSR US, Inc.                       | 200 Continental Drive, Suite 401<br>Newark<br>Delaware 19713 | Market research    | Ordinary             |        | 100.00   |
| IWSR Pte. Ltd.                      | 114 Lavender Street #11-88<br>CT Hub 2<br>Singapore 338729   | Market research    | Ordinary             |        | 100.00   |

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 14 Subsidiaries (Continued)

\*The registered office address of all subsidiaries registered in the United Kingdom is 5 Fleet Place, London EC4M 7RD

The investment in IWSR Newco Limited is held by IWSR Midco Limited

The investment in IWSR Drinks Market Analysis Limited is held by IWSR Newco Limited

The investment in IWSR US, Inc. and IWSR Pte. Ltd. is held by IWSR Drinks Market Analysis Limited

All subsidiaries are included in the consolidation

For the year ended 31 December 2019, all subsidiaries were entitled to and have taken exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and the members have not required the subsidiaries to obtain an audit of their financial statements for the year in question in accordance with section 476

#### 15 Debtors

|   | Group<br>2019    | 2018           | Company<br>2019 | 2018          |
|---|------------------|----------------|-----------------|---------------|
|   | £                | £              | £               | £             |
| <b>Amounts falling due within one year:</b> |                  |                |                 |               |
| Trade debtors                               | 794,677          | 828,850        | -               | -             |
| Amounts owed by group undertakings          | -                | -              | 68,420          | 68,420        |
| Other debtors                               | 39,221           | 245            | -               | -             |
| Prepayments and accrued income              | 216,293          | 64,795         | -               | -             |
|   | <u>1,050,191</u> | <u>893,890</u> | <u>68,420</u>   | <u>68,420</u> |

#### 16 Creditors: amounts falling due within one year

|                                    |       | Group<br>2019    | 2018             | Company<br>2019 | 2018     |
|------------------------------------|-------|------------------|------------------|-----------------|----------|
|                                    | Notes | £                | £                | £               | £        |
| Bank loans and overdrafts          | 18    | 662,500          | 350,000          | -               | -        |
| Trade creditors                    |       | 120,694          | -                | -               | -        |
| Corporation tax payable            |       | 26,700           | 69,499           | -               | -        |
| Other taxation and social security |       | 77,845           | 117,544          | -               | -        |
| Deferred income                    |       | 2,064,384        | 1,846,339        | -               | -        |
| Other creditors                    |       | 617,174          | 661,712          | -               | -        |
| Accruals and deferred income       |       | 131,161          | 360,780          | -               | -        |
|                                    |       | <u>3,700,458</u> | <u>3,405,874</u> | <u>-</u>        | <u>-</u> |

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 17 Creditors: amounts falling due after more than one year

|                              |       | Group<br>2019     | 2018              | Company<br>2019 | 2018 |
|------------------------------|-------|-------------------|-------------------|-----------------|------|
|                              | Notes | £                 | £                 | £               | £    |
| Bank loans and overdrafts    | 18    | 1 807 300         | 2 469 800         |                 |      |
| Other borrowings             | 18    | 11 374 444        | 10 743 069        |                 |      |
| Accruals and deferred income |       | 446 910           | 208 500           |                 |      |
|                              |       | <u>13 628 654</u> | <u>13 421 369</u> |                 |      |

Other borrowings shown above include investor loan notes of £7 898 324 (2018: £7 452 266) and vendor loan notes of £806 719 (2018: £772 100)

Details of balances due to related parties are shown in note 27

#### 18 Borrowings

|                         |  | Group<br>2019     | 2018              | Company<br>2019 | 2018 |
|-------------------------|--|-------------------|-------------------|-----------------|------|
|                         |  | £                 | £                 | £               | £    |
| Bank loans              |  | 2 469 800         | 2 819 800         |                 |      |
| Other loans             |  | 11 374 444        | 10 743 069        |                 |      |
|                         |  | <u>13 844 244</u> | <u>13 562 869</u> |                 |      |
| Payable within one year |  | 662 500           | 350 000           |                 |      |
| Payable after one year  |  | <u>13 181 744</u> | <u>13 212 869</u> |                 |      |

The bank and other loans are secured by fixed and floating charges over all property and undertakings of IWSR Drinks Marketing Analysis Limited

Details of balances due to related parties are shown in note 27

#### 19 Deferred taxation

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

|                                      | Liabilities<br>2019 | Liabilities<br>2018 |
|--------------------------------------|---------------------|---------------------|
| Group                                | £                   | £                   |
| Accelerated capital allowances       | 46 998              | -                   |
| Valuation of intangible fixed assets | 2 252 903           | 2 158 958           |
| Short term timing differences        | (3 910)             | -                   |
|                                      | <u>2 295 991</u>    | <u>2 158 958</u>    |

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 19 Deferred taxation (Continued)

The company has no deferred tax assets or liabilities

|                               | Group<br>2019<br>£ | Company<br>2019<br>£ |
|-------------------------------|--------------------|----------------------|
| <b>Movements in the year:</b> |                    |                      |
| Liability at 1 January 2019   | 2,158,958          | -                    |
| Charge to profit or loss      | 137,033            | -                    |
| Liability at 31 December 2019 | 2,295,991          | -                    |

The deferred tax liability set out above relating to the valuation of the primary database is expected to reverse over its expected useful economic life

#### 20 Retirement benefit schemes

|   | 2019<br>£ | 2018<br>£ |
|---|-----------|-----------|
| <b>Defined contribution schemes</b>                                 |           |           |
| Charge to profit or loss in respect of defined contribution schemes | 44,300    | 17,110    |

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

#### 21 Share capital

|                                      | Group and company |              |
|--------------------------------------|-------------------|--------------|
|                                      | 2019<br>£         | 2018<br>£    |
| <b>Ordinary share capital</b>        |                   |              |
| <b>Issued and fully paid</b>         |                   |              |
| 97,000 A Ordinary shares of 1p each  | 970               | 970          |
| 6,262 B1 Ordinary shares of 1p each  | 63                | 63           |
| 37,681 B2 Ordinary shares of 1p each | 377               | 377          |
|                                      | <u>1,410</u>      | <u>1,410</u> |

All classes of share have attached to them the voting rights of one per share and rights to a distribution upon winding up. None confer any rights of redemption

A Ordinary shares have attached to them rights to a dividend. Holders of B1 and B2 Ordinary shares are not entitled to receive dividends unless the Board in its absolute discretion determines otherwise

On 5 April 2018 the company issued the following shares for cash consideration

- 96,900 A Ordinary shares of 1p each at a premium of 99p per share for a total consideration of £96,900
- 6,262 B1 Ordinary shares of 1p each at a premium of 99p per share for a total consideration of £6,262
- 37,681 B2 Ordinary shares of 1p each at a premium of 99p per share for a total consideration of £37,681

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 22 Reserves

##### Share premium

The share premium reserve represents the consideration received for shares issued above their nominal value net of transaction costs

##### Profit and loss reserves

The profit and loss reserve represents the cumulative profit and loss net of distributions to owners

#### 23 Cash generated from group operations

|  | 2019<br>£        | 2018<br>£        |
|--|------------------|------------------|
| Loss for the year after tax                          | 1,547,054        | 716,369          |
| Adjustments for:                                     |                  |                  |
| Taxation charged / credited                          | 94,234           | 116,513          |
| Finance costs  | 986,161          | 712,600          |
| Investment income                                    | 13,031           | 2,174            |
| Amortisation and impairment of intangible assets     | 1,922,513        | 1,403,470        |
| Depreciation and impairment of tangible fixed assets | 20,077           | 10,512           |
| Foreign exchange gains on cash equivalents           | -                | 660              |
| Movements in working capital:                        |                  |                  |
| Increase / decrease in debtors                       | 156,501          | 1,858,970        |
| Increase in creditors                                | 445,248          | 504,337          |
| Increase in deferred income                          | 218,045          | -                |
| <b>Cash generated from operations</b>                | <b>1,979,692</b> | <b>3,655,493</b> |

#### 24 Analysis of changes in net debt - group

|                                 | 1 January<br>2019<br>£ | Cash flows<br>£ | 31 December<br>2019<br>£ |
|---------------------------------|------------------------|-----------------|--------------------------|
| Cash at bank and in hand        | 2,213,338              | 475,638         | 2,688,976                |
| Borrowings excluding overdrafts | (13,562,869)           | (281,375)       | (13,844,244)             |
|                                 | <u>(11,349,531)</u>    | <u>194,263</u>  | <u>(11,155,268)</u>      |

# IWSR TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 25 Operating lease commitments

##### Lessee

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

|                            | Group<br>2019<br>£ | 2018<br>£ | Company<br>2019<br>£ | 2018<br>£ |
|----------------------------|--------------------|-----------|----------------------|-----------|
| Within one year            | 90,000             | 90,000    | -                    | -         |
| Between one and five years | 171,616            | 261,616   | -                    | -         |
|                            | 261,616            | 351,616   | -                    | -         |

#### 26 Events after the reporting date

**COVID-19:** As at the Statement of Financial Position date (31 December 2019), a limited number of cases of an unknown virus had been reported to the World Health Organization. There was no explicit evidence of human-to-human transmission at that date. Subsequent to 31 December 2019, the virus was identified as a new coronavirus (COVID-19) and there has been fast and widespread transmission through the human population.

In response to the COVID-19 virus, the UK, US and Singapore governments introduced social distancing measures which resulted in the Group closing its offices and moving all operations to work remotely. All travel was cancelled. The teams normally focussed on Consultancy projects have been redeployed to producing COVID-19 specific analysis to help our clients through this challenging time.

As at the date of signing the accounts, the full impact of the COVID-19 virus is unknown and the consequences very difficult to project. However, given the Group's recurring subscription revenues, strong order book and healthy cash position, the directors are confident that sufficient resources are available to the Group to enable it to deal with the current level of volatility and uncertainty.

**Acquisition of a subsidiary:** IWSR Drinks Market Analysis Limited acquired 100% of the shares of Wine Intelligence Limited on the 3rd December 2020 as a synergy to the company's current research operations.

#### 27 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel of the group who are also directors is as follows

|                        | 2019<br>£ | 2018<br>£ |
|------------------------|-----------|-----------|
| Aggregate compensation | 517,598   | 1,676,186 |

## IWSR TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

#### 27 Related party transactions (Continued)

included in other creditors due in more than one year is a loan of £7,898,324 (2018: £7,599,566) including £315,934 (2018: £429,700) of accrued interest due to the majority shareholder of the company. Interest at 8% per annum totalling £608,463 (2018: £429,700) was charged during the year.

included in other creditors is a loan of £2,669,400 (2018: £2,588,403) including £106,776 (2018: £145,200) of accrued interest due to a member of the key management personnel. Interest at 8% per annum totalling £205,643 (2018: £145,200) was charged during the year.

included in other creditors is a loan of £806,719 (2018: £783,600) including £24,202 (2018: £33,600) of accrued interest due to a member of the key management personnel. Interest at 6% per annum totalling £46,927 (2018: £33,600) was charged during the year.

Management charges of £100,000 (2018: £75,000) payable to the majority shareholder of the company were charged during the year. Included in the intangible fixed assets balance are arrangement fees of £215,776 (2018: £215,776) payable to the majority shareholder.