

Registered number: 13928442

# **BARSTONE HOLDINGS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 APRIL 2022**

TUESDAY



\*ABYASACY\*

A06

28/02/2023

#71

COMPANIES HOUSE

---

**BARSTONE HOLDINGS LIMITED**

---

**COMPANY INFORMATION**

---

**Directors** Alexander Maarten Wit (appointed 1 July 2022)  
Adrian John Yule (appointed 1 July 2022)

**Registered number** 13928442

**Registered office** Unit 7  
The Pavilions Ruscombe Business Park  
Ruscombe  
Reading  
RG10 9NN

**Independent auditor** Crowe U.K. LLP  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

---

**BARSTONE HOLDINGS LIMITED**

---

**CONTENTS**

---

	Page
<b>Group strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 4</b>
<b>Independent auditor's report</b>	<b>5 - 8</b>
<b>Consolidated statement of comprehensive income</b>	<b>9</b>
<b>Consolidated balance sheet</b>	<b>10</b>
<b>Company balance sheet</b>	<b>11</b>
<b>Consolidated statement of changes in equity</b>	<b>12</b>
<b>Company statement of changes in equity</b>	<b>13</b>
<b>Consolidated Statement of cash flows</b>	<b>14</b>
<b>Consolidated analysis of net debt</b>	<b>15</b>
<b>Notes to the financial statements</b>	<b>16 - 38</b>

---

## BARSTONE HOLDINGS LIMITED

---

### GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 APRIL 2022

---

#### Introduction

The directors present their report and financial statements for the period ended 30 April 2022.

#### Principal risks and review of the business

Barstone Holdings Limited was incorporated on 21 February 2022 and therefore these financial statements are for the 2 month period ended 30 April 2022. On 14 March 2022 the company acquired the entire share capital of Prodec Network Limited and its subsidiaries ('Prodec'). Barstone Holdings Limited is a holding parent entity and does not trade.

Prodec seeks to remain close to its customers desired outcomes and as such has continued to build on its cloud, communication, and networking capability, all of which are key for delivering the agility, resilience, and scalability that customers require.

Prodec has seen improved revenue performance in FY22 as a result of continued demand for technology solutions, also aided by relaxation of COVID restrictions around the world. Following on from this, Prodec has adopted a hybrid working policy for staff which can work remotely.

Prodec is well positioned with its range of technology offerings centred on SD-WAN networking, unified communications, networked audio-visual products, and other cloud-based managed services solutions. Through its strategic partnerships and commitment to innovation, Prodec has developed its portfolio of integrated IT solutions, bringing together best-of-breed technologies to build highly secure, intelligent platforms for digital business.

Additionally, Prodec has maintained investment in its sales resource and strategic partnerships. The Directors are confident this continued investment will generate future sales, as customers continue to adopt new services.

On 1 July 2022, the entire share capital of Barstone Holdings Limited was acquired by Fulcrum Pegasus Limited. The acquisition provides new opportunities for Prodec to partner with, and cross-sell to, other companies within the Fulcrum Pegasus consortium.

#### Position of the company at year end

Prodec's business activities and the material factors which affect its future development are set out above. The financial position of the group is set out in the financial statements and the notes that follow. When assessing going concern the directors consider detailed economic information from the many marketplaces the group operates within as well as cash flow effects, possible contingencies and the effect of the material risk factors.

As is prudent, the directors exercise short-term cost control and optimise working capital while ensuring the business remains on a sound footing in the long-term. This includes reducing operational costs and optimising capital expenditures to enhance cash flows.

Although the group has not had any material signs of customer default, it continues to closely monitor its debtors.

*The directors have reasonable expectation that Prodec has more than adequate resources to continue in operational existence for the foreseeable future.*

---

## BARSTONE HOLDINGS LIMITED

---

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

---

#### Risks and uncertainties

The next year looks to be an encouraging trading year as companies accelerate their digital evolution, rapidly enabling their workforce to operate remotely for the long term, increasing the demand for the supply of networking and communications services.

As with previous years, competition remains a consideration, but the directors believe that Prodec's abilities to integrate wide-ranging technologies for its loyal and expanding customer base positions the group with distinct competitive advantage for the coming year and beyond.

The directors have made long-term strategic investments to underpin growth of Prodec's business lines. These investments have continued in the form of systems, personnel, and marketing expenditure positioning the group in its respective marketplaces. The directors will ensure this investment generates growth by focussing on new services offerings appropriate for a digitalised and more virtual marketplace. The directors are confident of growing the business in all areas of activity over the next 12 months.

#### Financial risk management objectives and policies

The main financial risks faced by the group and company is liquidity and customer credit. Further detail of the risks are given below.

#### Liquidity risk

The group and company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expenses, whilst ensuring the group and company has sufficient liquid resources to meet the operational needs of the business.

#### Customer credit risk

The group is at risk to the extent of a customer default. This risk is managed by regular monitoring and communication with customers.

#### Other key performance indicators

The key performance indicator is gross profit. During the year ended 30 April 2022 Prodec experienced an increase in sales from £21.4m in FY21 to £22.3m in FY22, but gross profit decreased. This was a result of temporary supply chain shortages caused by the COVID-19 pandemic leading to transitory, inflationary cost pressure.

This report was approved by the board on 23 February 2023 and signed on its behalf.

**Adrian John Yule**  
Director



---

## BARSTONE HOLDINGS LIMITED

---

### DIRECTORS' REPORT FOR THE PERIOD ENDED 30 APRIL 2022

---

The directors present their report and the financial statements for the period ended 30 April 2022.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group 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 for the group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

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

#### **Results and dividends**

The profit for the period, after taxation, amounted to £216,597.

#### **Directors**

The directors who served during the period and up to the date of signing the financial statements were:

Natalie Barley (resigned 1 July 2022)  
Russell Barley (resigned 1 July 2022)  
Elizabeth Stone (resigned 1 July 2022)  
Gregory Stone (resigned 1 July 2022)  
Alexander Maarten Wit (appointed 1 July 2022)  
Adrian John Yule (appointed 1 July 2022)

---

**BARSTONE HOLDINGS LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**Disclosure of information to auditor**

*Each of the persons who are directors at the time when this directors' report is approved has confirmed that:*

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

**Post balance sheet events**

In July 2022, the entire share capital of the company Barstone Holdings Limited was acquired by Fulcrum Pegasus Limited.

**Auditor**

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 February 2023 and signed on its behalf.

**Adrian John Yule**  
Director



---

---

## **BARSTONE HOLDINGS LIMITED**

---

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARSTONE HOLDINGS LIMITED**

---

#### **Opinion**

We have audited the financial statements of Barstone Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the period ended 30 April 2022, which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated statement of cash flows and consolidated analysis of net debt, the consolidated and company statement of changes in equity and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 April 2022 and of the Group's profit for the period 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

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 Group's or the parent parent'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.



---

## **BARSTONE HOLDINGS LIMITED**

---

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARSTONE HOLDINGS LIMITED (CONTINUED)**

---

#### **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 contained within the Annual Report. 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.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **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 its environment obtained in the course of the audit, we have not identified material misstatements in the group 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.

---

## **BARSTONE HOLDINGS LIMITED**

---

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARSTONE HOLDINGS LIMITED (CONTINUED)**

---

#### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent'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 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 Group financial statements.

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant UK taxation legislation.

We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to management override risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks included testing a sample of revenue across the year and deferred revenue as at year end, to agree to supporting documentation, and reviewing revenue cut off either side of the year end to ensure this has been recognised correctly.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

---

**BARSTONE HOLDINGS LIMITED**

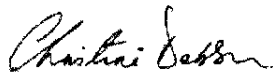
---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARSTONE HOLDINGS LIMITED  
(CONTINUED)**

---

**Use of our report**

This report is made solely to the parent'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 parent'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 parent and the parent's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Christine Dobson (senior statutory auditor)  
for and on behalf of  
Crowe U.K. LLP**

Statutory Auditor

Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL  
Date: 23 February 2023

---

BARSTONE HOLDINGS LIMITED

---

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 APRIL 2022

---

	Note	2 months to 30 April 2022 £
Turnover	4	3,125,564
Cost of sales		(1,935,590)
<b>Gross profit</b>		<b>1,189,974</b>
Administrative expenses		(909,788)
Other operating income	5	39,814
<b>Operating profit</b>	6	<b>320,000</b>
Interest receivable and similar income		10,019
Interest payable and similar expenses		(10,630)
<b>Profit before taxation</b>		<b>319,389</b>
Tax on profit	10	(102,792)
<b>Profit for the financial period</b>		<b>216,597</b>

There was no other comprehensive income for 2022.

The notes on pages 16 to 38 form part of these financial statements.

**BARSTONE HOLDINGS LIMITED**  
**REGISTERED NUMBER: 13928442**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 APRIL 2022**

	Note	2022 £
<b>Fixed assets</b>		
Intangible assets	11	3,764,453
Tangible assets	12	1,180,661
		<u>4,945,114</u>
<b>Current assets</b>		
Stocks	14	353,779
Debtors due within 1 year	15	5,874,174
Current asset investments	16	152,512
Cash at bank and in hand	17	1,103,005
		<u>7,483,470</u>
Creditors: amounts falling due within one year	18	<u>(9,500,628)</u>
<b>Net current (liabilities)/assets</b>		<u>(2,017,158)</u>
<b>Total assets less current liabilities</b>		<u>2,927,956</u>
Creditors: amounts falling due after more than one year	19	(1,024,130)
<b>Provisions for liabilities</b>		
Deferred taxation	20	(163,923)
		<u>(163,923)</u>
<b>Net assets</b>		<u><u>1,739,903</u></u>
<b>Capital and reserves</b>		
Called up share capital	21	2,150
Share premium account		1,521,156
Profit and loss account		216,597
		<u><u>1,739,903</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 February 2023



**Adrian John Yule**  
Director

The notes on pages 16 to 38 form part of these financial statements.

---

BARSTONE HOLDINGS LIMITED  
REGISTERED NUMBER: 13928442

---

COMPANY BALANCE SHEET  
AS AT 30 APRIL 2022

---

	Note	2022 £
<b>Fixed assets</b>		
Investments	13	3,191,381
		<u>3,191,381</u>
<b>Current assets</b>		
Debtors due within 1 year	15	2,901,845
		<u>2,901,845</u>
Creditors: amounts falling due within one year	18	(4,569,920)
		<u>(1,668,075)</u>
<b>Net current (liabilities)/assets</b>		
		<u>1,523,306</u>
<b>Total assets less current liabilities</b>		
		<u>1,523,306</u>
<b>Net assets</b>		<u>1,523,306</u>
<b>Capital and reserves</b>		
Called up share capital	21	2,150
Share premium account		1,521,156
		<u>1,523,306</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 February 2023

Adrian John Yule  
Director



The notes on pages 16 to 38 form part of these financial statements.

---

**BARSTONE HOLDINGS LIMITED**

---

---

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	216,597	216,597
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Contributions by and distributions to owners</b>				
Shares issued during the period	2,150	1,521,156	-	1,523,306
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	2,150	1,521,156	-	1,523,306
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 April 2022</b>	2,150	1,521,156	216,597	1,739,903
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 16 to 38 form part of these financial statements.

---

**BARSTONE HOLDINGS LIMITED**

---

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>Contributions by and distributions to owners</b>				
Shares issued during the period	2,150	1,521,156	-	1,523,306
<b>At 30 April 2022</b>	<u>2,150</u>	<u>1,521,156</u>	<u>-</u>	<u>1,523,306</u>

The notes on pages 16 to 38 form part of these financial statements.



---

**BARSTONE HOLDINGS LIMITED**

---

---

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

	2022 £
<b>Cash flows from operating activities</b>	
Profit for the financial period	216,597
<b>Adjustments for:</b>	
Amortisation of intangible assets	111,466
Depreciation of tangible assets	6,139
Profit/(Loss) on disposal of tangible assets	4,069
Interest paid	10,630
Interest received	(10,019)
Taxation charge	102,792
(Increase)/decrease in stocks	(62,141)
Decrease in debtors	815,165
Increase in creditors	547,445
Corporation tax (paid)/received	(52,283)
<b>Net cash generated from operating activities</b>	<b>1,689,860</b>
<b>Cash flows from investing activities</b>	
Purchase of subsidiary (net of cash acquired)	(2,109,550)
Interest received	10,019
<b>Net cash from investing activities</b>	<b>(2,099,531)</b>
<b>Cash flows from financing activities</b>	
Issue of ordinary shares	1,523,306
Interest paid	(10,630)
<b>Net cash used in financing activities</b>	<b>1,512,676</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,103,005</b>
<b>Cash and cash equivalents at the end of period</b>	<b>1,103,005</b>
<b>Cash and cash equivalents at the end of period comprise:</b>	
Cash at bank and in hand	1,103,005
	<b>1,103,005</b>

The notes on pages 16 to 38 form part of these financial statements.

---

**BARSTONE HOLDINGS LIMITED**

---

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

	<b>Cash flows</b>	<b>At 30 April</b>
	<b>£</b>	<b>2022</b>
		<b>£</b>
Cash at bank and in hand	<b>1,103,005</b>	<b>1,103,005</b>
Debt due after 1 year	<b>(66,991)</b>	<b>(66,991)</b>
	<b>1,036,014</b>	<b>1,036,014</b>

The notes on pages 16 to 38 form part of these financial statements.

---

## BARSTONE HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2022

---

#### 1. General information

Barstone Holdings Limited ("the company") is a private limited company incorporated in England and Wales. The registered office is Unit 7, The Pavilions Ruscombe Business Park, Ruscombe, Reading, RG10 9NN.

The principal activity of the company is that of a holding company of a trading group. The group's activities comprise computer network sales, consultancy, technical, hosting, maintenance services, data protection, storage and hyperconverged infrastructure solutions.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- (a) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- (b) from the financial instruments disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures.

The following principal accounting policies have been applied:

---

## BARSTONE HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2022

---

## 2. Accounting policies (continued)

### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Network 24 Limited (05949119) and Smarter Interactive Limited (04739329) are exempt from the requirements of the Companies Act relating to the audit of accounts under section 479A of the Companies Act 2006. Network 24 Limited and Smarter Interactive Limited are included in the consolidated accounts. Barstone Holdings Limited has provided a guarantee to these subsidiaries in accordance with this section.

### 2.3 Going concern

The directors have prepared forecasts for a period of at least 12 months from the date of approval of the financial statements. In making their assessment the directors have considered the impact on the business from economic conditions, including the ability of the company and group to continue to service customers, the impact on future revenues and cash collections and the financial position of the wider group. After reviewing these forecasts and having made the appropriate enquiries, the directors have a reasonable expectation that the company and group has adequate resources to continue operating for the foreseeable future. The company and group therefore continues to adopt the going concern basis in preparing the financial statements.

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

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

Income arising from contracts for the provision of services is recognised in accordance with the stage of completion at the reporting date. The stage of completion is estimated on a straight line basis over the term of the contract, save where another method is considered more representative. Contract receipts relating to the future financial periods are included in deferred income, while costs relating to that future activity are shown as deferred costs unless their recovery is not deemed probable.

When the group acts as an agent and is remunerated on a commissions basis, the commission is included as revenue. Where the group acts as a principal, the total value of the business handled is included in revenue.

---

## BARSTONE HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2022

---

#### **2. Accounting policies (continued)**

##### **2.5 Other operating income**

Other operating income consists of management charges which relate to the redistribution of expenses incurred in fellow group companies.

##### **2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

##### **2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

##### **2.8 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.9 Pensions**

###### **Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

---

## BARSTONE HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2022

---

#### 2. Accounting policies (continued)

##### 2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the parent and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.11 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Goodwill	-	20 % straight line
----------	---	--------------------

---

## BARSTONE HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2022

---

## 2. Accounting policies (continued)

### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Land and buildings	- 10% reducing balance
Fixtures, fittings and computer equipment	- 25% reducing balance or 33-50% straight line
Office equipment	- 25% reducing balance or 33-50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

### 2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

---

---

## BARSTONE HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2022

---

#### 2. Accounting policies (continued)

##### 2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.17 Current asset investments

Current asset investments represent investments in racehorses which are held at cost less any provision for impairment in the financial statements of the group. Profit or loss on disposal of racehorses, being the difference between proceeds received and the carrying value of the investment, are shown as other gains and losses in the consolidated statement of comprehensive income.

##### 2.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

##### 2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.



---

## BARSTONE HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2022

---

#### 2. Accounting policies (continued)

##### 2.20 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

##### 2.21 Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life which is estimated to be 5 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**3. Judgments in applying accounting policies 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.

The directors are of the opinion that there are no key sources of estimation uncertainty or judgements in applying the accounting policies for the period ended 30 April 2022.

**4. Turnover**

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

	<b>2 months to 30 April 2022 £</b>
Sale of goods	<b>2,163,071</b>
Sale of services	<b>962,493</b>
	<b><u>3,125,564</u></b>

Analysis of turnover by country of destination:

	<b>2 months to 30 April 2022 £</b>
United Kingdom	<b>3,105,075</b>
Rest of Europe	<b>16,068</b>
Rest of the World	<b>4,421</b>
	<b><u>3,125,564</u></b>

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**5. Other operating income**

	2 months to 30 April 2022 £
Management charges to connected companies	39,814
	<u>39,814</u>

**6. Operating profit**

The operating profit is stated after charging:

	2 months to 30 April 2022 £
Loss on disposal of tangible fixed asset	4,069
Depreciation on tangible fixed assets	6,139
Amortisation of intangible asset	111,466
Operating lease charges	<u>91,048</u>

**7. Auditor's remuneration**

During the period, the Group obtained the following services from the company's auditor:

	2 months to 30 April 2022 £
Audit of the financial statements of the parent company	4,000
Audit of the financial statements of the company's subsidiaries	7,750
All other non-audit services	<u>3,000</u>

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>Group 2 months to 30 April 2022 £</b>
Wages and salaries	<b>556,666</b>
Social security costs	<b>66,894</b>
Cost of defined contribution scheme	<b>14,573</b>
	<b>638,133</b>

The average monthly number of employees, including the directors, during the period was as follows:

	<b>2 months to 30 April 2022 No.</b>
Sales	<b>17</b>
Administration	<b>51</b>
	<b>68</b>

---

BARSTONE HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022

---

9. Directors' remuneration

	2 months to 30 April 2022 £
Directors' emoluments	51,827
Group contributions to defined contribution pension schemes	1,172
	<u>52,999</u>

During the period retirement benefits were accruing to 4 directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £22,334.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £557.

Key management is made up of the directors. The national insurance contributions made in the year for key management was £7,077.

10. Taxation

	2022 £
<b>Corporation tax</b>	
Current tax on profits for the year	50,287
<b>Total current tax</b>	<u>50,287</u>
<b>Deferred tax</b>	
Origination and reversal of timing differences	52,505
<b>Total deferred tax</b>	<u>52,505</u>
<b>Taxation on profit on ordinary activities</b>	<u>102,792</u>

---

BARSTONE HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022

---

10. Taxation (continued)

**Factors affecting tax charge for the period**

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

	2022 £
Profit on ordinary activities before tax	319,389
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	60,684
<b>Effects of:</b>	
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	21,668
Capital allowances for period in excess of depreciation	(1,446)
Deferred tax not recognised	(982)
Remeasurement of deferred tax for changes in tax rates	2,201
Non-taxable income	(512)
Amortisation of goodwill not deductible	21,179
<b>Total tax charge for the period</b>	<b>102,792</b>

**Factors that may affect future tax charges**

The March 2021 Budget announced that the standard rate of corporation rate will increase from 19% to 25% from 1 April 2023 for companies with profits in excess of £250,000.

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**11. Intangible assets**

**Group**

	<b>Goodwill £</b>
<b>Cost</b>	
Additions	<b>3,701,580</b>
On acquisition of subsidiaries	<b>174,338</b>
	<hr/>
At 30 April 2022	<b>3,875,918</b>
	<hr/>
<b>Amortisation</b>	
Charge for the period on owned assets	<b>111,465</b>
	<hr/>
At 30 April 2022	<b>111,465</b>
	<hr/>
<b>Net book value</b>	
At 30 April 2022	<b>3,764,453</b>
	<hr/> <hr/>

The company had no intangible fixed assets at 30 April 2022.

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**12. Tangible fixed assets****Group**

	Land and buildings £	Fixtures, fittings and computer equipment £	Office equipment £	Total £
<b>Cost or valuation</b>				
Acquisition of subsidiary	110,357	575,740	568,098	1,254,195
Disposals	-	(11,750)	(55,645)	(67,395)
At 30 April 2022	<u>110,357</u>	<u>563,990</u>	<u>512,453</u>	<u>1,186,800</u>
<b>Depreciation</b>				
Charge for the period on owned assets	427	159	5,553	6,139
At 30 April 2022	<u>427</u>	<u>159</u>	<u>5,553</u>	<u>6,139</u>
<b>Net book value</b>				
At 30 April 2022	<u>109,930</u>	<u>563,831</u>	<u>506,900</u>	<u>1,180,661</u>

The company had no tangible fixed assets at 30 April 2022.



---

**BARSTONE HOLDINGS LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**13. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
Additions	<b>3,191,381</b>
At 30 April 2022	<b><u>3,191,381</u></b>

**Direct subsidiary undertaking**

The following was a direct subsidiary undertaking of the parent:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Prodec Networks Limited	Computer network sales and consultancy	Ordinary	100%

**Indirect subsidiary undertakings**

The following were indirect subsidiary undertakings of the parent:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Hosting Techniques Limited	Cloud and hosting solutions	Ordinary	100%
Network 24 Limited	Technical services and maintenance	Ordinary	100%
Smarter Interactive Limited	Computer equipment sales	Ordinary	100%

The registered office address for all entities is Unit 7, The Pavilions Ruscombe Business Park, Ruscombe, Reading, RG10 9NN.

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**14. Stocks**

	<b>Group 2022 £</b>
Finished goods and goods for resale	<b>353,779</b>
	<b>353,779</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The company had no stock as at 30 April 2022.

**15. Debtors**

	<b>Group 2022 £</b>	<b>Company 2022 £</b>
Trade debtors	<b>3,505,073</b>	-
Amounts owed by group undertakings	-	<b>2,901,845</b>
Other debtors	<b>264,948</b>	-
Prepayments and accrued income	<b>2,104,153</b>	-
	<b>5,874,174</b>	<b>2,901,845</b>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**16. Current asset investments**

	<b>Group 2022 £</b>
Unlisted investments	<b>152,512</b>
	<b>152,512</b>

The company had no unlisted investments as at 30 April 2022.

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**17. Cash and cash equivalents**

	Group 2022 £
Cash at bank and in hand	1,103,005
	<u>1,103,005</u>

**18. Creditors: Amounts falling due within one year**

	Group 2022 £	Company 2022 £
Trade creditors	2,024,047	-
Loan to shareholders	4,569,920	4,569,920
Corporation tax	50,509	-
Other taxation and social security	612,407	-
Other creditors	54,454	-
Accruals and deferred income	2,189,291	-
	<u>9,500,628</u>	<u>4,569,920</u>

The shareholders' loan balance was settled in full on 1 July 2022 when the entire share capital of Barstone Holdings Limited was acquired by Fulcrum Pegasus Limited.

**19. Creditors: Amounts falling due after more than one year**

	Group 2022 £
Bank loans	66,991
Accruals and deferred income	957,139
	<u>1,024,130</u>

The bank loan is secured with a charge over the leasehold property, this is paid monthly with an interest rate of 4.38%. The amount payable over 5 years is £43,404.

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**20. Deferred taxation**

**Group**

	<b>2022 £</b>
Charged to profit or loss	(52,505)
Utilised in year	(111,418)
<b>At end of year</b>	<b>(163,923)</b>

The deferred taxation balance is made up as follows:

	<b>Group 2022 £</b>
Accelerated capital allowances	(158,984)
Tax losses carried forward	(4,939)
	<b>(163,923)</b>

As at 30th April 2022 the company had a deferred tax balance of £nil.

---

BARSTONE HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022

---

21. Share capital

	2022 £
<b>Allotted, called up and fully paid</b>	
850 Ordinary shares of £1.00 each	850
1,300 Ordinary - A shares of £1.00 each	1,300
	<hr/>
	<b>2,150</b>
	<hr/>

On 21 February 2022, on incorporation of Barstone Holdings Limited:  
8 Ordinary shares were issued at par for a consideration of £1.00 per share.

On 14 March 2022, on acquisition of Prodec Networks Limited and its subsidiaries:  
634 Ordinary shares were issued for a consideration of £710.17 per share  
208 Ordinary shares were issued for a consideration of £710.13 per share; and

978 Class A Ordinary shares were issued for a consideration of £710.17 per share  
322 Class A Ordinary shares were issued for a consideration of £710.13 per share

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The holders of ordinary "A" shares will be entitled to dividends solely from the profits of Prodec Networks Limited and to the shares in or assets of Prodec Networks Limited in the event of the winding up of the company.

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**22. Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £14,573 for the 2 month period ending 30 April 2022. Contributions totalling £31,069 were payable to the fund at the balance sheet date and are included in creditors.

**23. Commitments under operating leases**

At 30 April 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £
Not later than 1 year	426,268
Later than 1 year and not later than 5 years	788,715
	<hr/>
	1,214,983
	<hr/>

The company had no commitments under non-cancellable operating leases at the balance sheet date.

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**24. Related party transactions**

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with its parent or with members of the same group which are wholly owned, as per the exemption under paragraph 33.1a of FRS102.

During the year the group entered into the following transactions with related parties:

**Purchase of goods**

	Group 2022 £
Entities under common control outside of the group	33,468
Key management personnel	7,263
	<u>40,731</u>

**Sale of goods**

	Group 2022 £
Entities under common control outside of the group	7,500
	<u>7,500</u>

**Amounts owed to related parties**

	Group 2022 £
Entities under common control outside of the group	4,936
	<u>4,936</u>

---

**BARSTONE HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2022**

---

**25. Business combinations**

On 14 March 2022, Barstone Holdings Limited (the parent entity), acquired the group headed by Prodec Networks Limited ('Prodec') for a total consideration of £3,191,380.

In calculating the goodwill arising on acquisition, the fair value of the net assets of Prodec Networks Limited have been assessed and no adjustments to the book values were deemed necessary. The book value and fair value of the net assets acquired are summarised in the following table:

	<b>Book and fair value £</b>
<b>Fixed assets</b>	
Tangible assets	1,254,195
Investments	152,512
Intangible assets	174,338
<b>Current assets</b>	
Debtors	6,689,339
Stock	291,638
Cash at bank and in hand	1,016,204
<b>Total assets</b>	<u>9,578,227</u>
<b>Liabilities</b>	
Trade and other creditors	(6,836,910)
Intercompany	(3,253,817)
<b>Net liabilities</b>	<u><u>(512,500)</u></u>
<b>Consideration</b>	
Cash consideration	2,430,864
Shareholder loans	748,362
Acquisition costs	12,154
	<u><u>3,191,380</u></u>
Add net liabilities acquired	512,500
<b>Goodwill arising on acquisition of subsidiaries</b>	<u><u>3,703,880</u></u>



---

## BARSTONE HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2022

---

#### **26. Controlling party**

As at year end the directors are of the opinion that there is no individual ultimate controlling party of the group. In July 2022 the entire share capital of Barstone Holdings Limited was acquired by Fulcrum Pegasus Prodec Exchange Co Ltd, whose registered office is at Two Snowhill, Birmingham B4 6WR and the ultimate parent company is Fulcrum Pegasus Ltd. Fulcrum Pegasus Limited is owned by a number of individual shareholders and whose registered office is at Two Snowhill, Birmingham B4 6WR.