
REDSTOR LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020



REDSTOR LIMITED

COMPANY INFORMATION

Directors	P D Evans A M Ruane G A Dyson
Registered number	03556110
Registered office	Fourth Floor Abbots House Abbey Street Reading Berkshire RG1 3BD
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 3 Forbury Place 23 Forbury Road Reading RG1 3JH
Bankers	Barclays Bank PLC 4th Floor Apex Plaza Forbury Road Reading RG1 1AX

REDSTOR LIMITED

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REDSTOR LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2020**

The directors present their report and the audited financial statements for the year ended 30 November 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Principal activities

The company's principal activity is providing data storage services and solutions.

Results and dividends

The loss for the year, after taxation, amounted to £111,276 (2019 Restated : Loss £(871,620))

Revenue for the year is £9,208,162 (2019: £8,807,006)

Dividends of £Nil (2019: £Nil) were paid in the year.

Directors

The directors who served during the year and up to the date of signing were:

P D Evans
A M Ruane
G A Dyson

REDSTOR LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2020**

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Going Concern

Redstor Limited is part of a group of companies, headed by Celeste Topco Limited. The Group of which the company is a member has sufficient financial resources and has a high level of recurring revenue. As a consequence, the directors of this entity believe that the Group is well placed to manage the business risks inherent in its activities.

Celeste Topco Limited, has confirmed that it will continue to provide such financial support as necessary to enable the company to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. For this reason the directors of this entity consider it appropriate to prepare the financial statements on a going concern basis.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board of Directors and signed on its behalf.

DocuSigned by:

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.....
G A Dyson
Director
Date: 10 June 2021

REDSTOR LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDSTOR LIMITED

Independent auditors' report to the members of Redstor Limited

Report on the audit of the financial statements

Opinion

In our opinion, Redstor Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 November 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

REDSTOR LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDSTOR LIMITED

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 November 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

REDSTOR LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDSTOR LIMITED

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



David Farmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
10 June 2021

REDSTOR LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Note	2020 £	2019 Restated * £
Revenue	4	9,208,162	8,807,006
Cost of sales		(4,360,386)	(4,011,076)
Gross profit		4,847,776	4,795,930
Administrative expenses		(5,089,476)	(5,626,868)
Operating loss	5	(241,700)	(830,938)
Interest receivable and similar income	9	1,003	1,625
Loss before tax		(240,697)	(829,313)
Tax on loss	10	129,421	(42,307)
Loss and total comprehensive expense for the financial year		(111,276)	(871,620)

The notes on pages 11 to 27 form part of these financial statements.

* In the year management have reviewed the allocation of certain costs relating to the supply of infrastructure and determined that as these costs relate directly to the delivery of services and are scalable these costs should be reclassified to be cost of sales. The impact of this on the prior year has been to reallocate £647,414 from administrative expenses to cost of sales. There has been no other impact on the financial statements for the prior year.

In March 2020 management fees were charged by group companies. This charge should have been recognised in the year ending 30 November 2019 as it related to administrative expenses incurred in that period. This error has been corrected by restating and increasing the revenue by £280,619 for the period to 30 November 2019, with a corresponding adjustment to intercompany liabilities.

REDSTOR LIMITED
REGISTERED NUMBER: 03556110

STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020

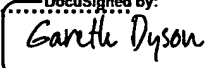
	Note	2020 £	2019 Restated £
Fixed assets			
Tangible assets	11	1,304,073	1,432,518
Investments	12	1	1
		<u>1,304,074</u>	<u>1,432,519</u>
Current assets			
Debtors: amounts falling due within one year	13	12,392,900	9,885,133
Cash at bank and in hand	14	1,319,822	785,450
		<u>13,712,722</u>	<u>10,670,583</u>
Creditors: amounts falling due within one year	15	(11,281,871)	(8,201,126)
Net current assets		<u>2,430,851</u>	<u>2,469,457</u>
Total assets less current liabilities		<u>3,734,925</u>	<u>3,901,976</u>
Provisions for liabilities			
Deferred taxation	16	-	(55,775)
		<u>-</u>	<u>(55,775)</u>
Net assets		<u><u>3,734,925</u></u>	<u><u>3,846,201</u></u>
Capital and reserves			
Called up share capital	17	43,746	43,746
Share premium account	18	17,520	17,520
Profit and loss account	18	3,673,659	3,784,935
Total Equity		<u><u>3,734,925</u></u>	<u><u>3,846,201</u></u>

In March 2020 management fees were charged by group companies. This charge should have been recognised in the year ending 30 November 2019 as it related to administrative expenses incurred in that period. This error has been corrected by restating and increasing the revenue by £280,619 for the period to 30 November 2019, with a corresponding adjustment to intercompany liabilities.

The financial statements on page 6 to 27 were approved and authorised for issue by the board and were signed on its behalf by:

REDSTOR LIMITED
REGISTERED NUMBER: 03556110

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 NOVEMBER 2020

..... DocuSigned by:
G A Dyson 
Director
Date: 10 June 2021 9CA3DF97FC34466...

The notes on pages 11 to 27 form part of these financial statements.

REDSTOR LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 December 2018 (adjusted balance)	43,746	17,520	3,663,408	3,724,674
Impact of change in accounting policy	-	-	169,751	169,751
At 1 December 2018	43,746	17,520	3,833,159	3,894,425
Comprehensive expense for the year				
Loss for the financial year	-	-	(871,620)	(871,620)
Distribution on liquidation of group companies	-	-	823,396	823,396
At 30 November 2019	43,746	17,520	4,065,554	4,126,820
Prior year restatement	-	-	(280,619)	(280,619)
At 1 December 2019 (as restated)	43,746	17,520	3,784,935	3,846,201
Comprehensive expense for the year				
Loss for the financial year	-	-	(111,276)	(111,276)
At 30 November 2020	43,746	17,520	3,673,659	3,734,925

The notes on pages 11 to 27 form part of these financial statements.

REDSTOR LIMITED

**STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2020**

A restatement in respect of management fees charged to the company of £280,619 in the year ended 30 November 2019 has resulted in an adjustment to the profit and loss account at 30 November 2019.

In the year ended 30 November 2019 three companies in the group were voluntarily liquidated, with a final distribution of assets and reserves of these companies being made to Redstor Limited.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

1. General information

Redstor Limited is a private company limited by shares, incorporated in the United Kingdom. Its registered office and principal place of business is Redstor Limited, Fourth Floor, Abbots House, Abbey Street, Reading, RG1 3BD. The company is domiciled in the UK.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006. The accounting policies applied are consistent.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The company is a wholly-owned subsidiary of Redstor Holdings Limited and is included in the consolidated financial statements of Celeste Topco Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

2.3 Going concern

Redstor Limited is part of a group of companies, headed by Celeste Topco Limited. The Group of which the company is a member has sufficient financial resources and has a high level of recurring revenue. As a consequence, the directors of this entity believe that the Group is well placed to manage the business risks inherent in its activities.

Celeste Topco Limited, has confirmed that it will continue to provide such financial support as necessary to enable the company to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. For this reason the directors of this entity consider it appropriate to prepare the financial statements on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

The principal revenue stream of the Company is derived from the sale of software and related services which allow its users to backup, restore, and manage their data across a range of platforms.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

2.5 Revenue (continued)

For sales of its own software, licence agreements with customers include a pre-defined subscription period during which the customer is entitled to the usage of the products, including updates of the software. The typical length of a subscription period is 12 or 36 months. The software is subject to frequent updates to keep the software current in order for it to be beneficial and the customer is therefore required to use the updated software during the licence period.

The software licence, together with the unspecified updates, forms a single distinct performance obligation.

The Company has further concluded that for sales of 3rd party software and hardware the Company is acting as an agent in these transactions and not as a principal and has restated its revenue and costs accordingly. Revenue on 3rd party and hardware sales is recognised on delivery. Where the company acts as an agent it recognises only the gross profit as revenue. As the Company has no further obligations with regards to support, all revenue is recognised on delivery of goods rather than adjusted over the period of support. In addition the Company recognises only the margin on these transactions in its revenue calculations.

For customer contracts of 12 months or less, costs incurred to acquire these contracts are recognised in full on the commencement of the contracts.

For customer contracts greater than 12 months, costs incurred to acquire these contracts are recognised over the period of the contract.

2.6 Interest income

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

2.7 IFRS 9

For all intercompany balances repayable on demand the expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date.

2.8 IFRS 16

Leases are recognised as a right of use asset and a corresponding liability at the dates at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a consistent periodic rate of interest on the remaining balance of liability for each period. The right of use asset is depreciated over the shorter of the assets useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

2.11 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.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 50 years
Freehold improvement	- 10 years
Fixtures and fittings	- 3 years
Computer equipment	- 3 years

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.

2.12 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.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Receivables are generally written off only once a period of time has elapsed since the final bill. Contractual due dates range from falling due in 30 days from receipt to falling due 60 days from receipt.

The most significant assumption included within the expected credit loss provision that gives rise to estimation uncertainty is that future performance will be reflective of past performance and there will be no significant change in the payment profile or recovery rate. To address this risk the company reviews all receivables on a monthly basis.

2.13 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.

2.14 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount of values may vary in certain instances from the assumptions and estimates made.

Judgments

IFRS 15

In applying IFRS 15 management has judged whether the company acts as an agent or principal during the course of its business:

i) Where Redstor is supplying 3rd party software and/or hardware it has concluded in these cases that it never takes control of the goods or fulfills any part of the contract directly and therefore has no inventory risk. In these instances Redstor is acting as the agent rather than the principal and is therefore only recognising the margin on these sales.

ii) For sales of its own software Redstor has judged that it acts as the principal and recognises the revenue from these contracts over the period of the contract. For all revenue recognition there is a contract in place and a clearly identifiable history of invoice and payment.

IFRS 9

For all intercompany balances repayable on demand the expected credit losses re based on the assumption that repayment of the loan is demanded at the reporting date. As the group does not have sufficient accessible highly liquid assets in order to repay the loans at the reporting date, repayment is required over time. Management are satisfied that the intercompany positions are all supported by cash generating operating entities which would generate sufficient returns over time, or at the time of an exit event.

Management has reviewed the impact on the company's retained and current earnings and its statement of financial position, specifically in regard to the valuation of financial assets and do not believe it is material.

Given these loans are interest free management have determined that the impact of discounting the loans over the expected repayment period would be immaterial.

Significant Estimates

There are no significant estimates reported.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

4. Revenue

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

	2020 £	2019 £
Data storage and protection services and solutions	<u>9,208,162</u>	<u>8,807,006</u>

Analysis of revenue by country of destination:

	2020 £	2019 £
United Kingdom	<u>9,208,162</u>	<u>8,807,006</u>

5. Operating loss

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

	2020 £	2019 £
Depreciation of tangible fixed assets	518,507	512,631
Exchange differences	(27,575)	8,973
Defined contribution pension cost	<u>57,524</u>	<u>53,068</u>

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditors and its associates for the audit of the Company's annual financial statements	<u>50,000</u>	<u>17,500</u>
Fees payable to the Company's auditors and its associates in respect of:		
Taxation compliance services	16,000	1,800
All other services	5,500	-
Total	<u><u>21,500</u></u>	<u><u>1,800</u></u>

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

7. Employees

	2020 £	2019 £
Wages and salaries	1,956,616	1,753,499
Social security costs	231,776	201,048
Other pension costs	57,524	53,068
	<u>2,245,916</u>	<u>2,007,615</u>

The average monthly number of employees during the year was as follows:

	2020 No.	2019 No.
General and administration	8	6
Operations	15	13
Sales and marketing	17	15
	<u>40</u>	<u>34</u>

8. Directors' remuneration

The directors were remunerated through another group company in both 2020 and 2019. It is not practical to identify the costs per group company. In the year there were 3 (2019: 3) Directors in office.

9. Interest receivable and similar income

	2020 £	2019 £
Bank interest receivable	1,003	1,625
	<u>1,003</u>	<u>1,625</u>

REDSTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

10. Tax on loss

	2020 £	2019 £
Current taxation		
Total current taxation	-	-
Deferred taxation		
Origination and reversal of timing differences	(49,027)	21,885
Changes to tax rates	6,562	-
Adjustment in respect of previous periods	(86,956)	20,422
Total deferred taxation	(129,421)	42,307
Tax on loss	(129,421)	42,307

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Loss before tax	(240,697)	(829,313)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(45,784)	(157,569)
Effects of:		
Expenses not deductible for tax purposes	8,707	1,900
Fixed asset differences	45,226	69,785
Short term timing difference leading to an increase (decrease) in taxation	-	308
Other timing differences leading to an increase (decrease) in taxation	-	53,317
Deferred tax adjustments	(129,421)	42,307
Unrelieved tax losses carried forward	59,286	-
Prior year adjustments	(67,435)	-
Group relief	-	32,259
Total tax charge for the year	(129,421)	42,307

In addition to the balances above, the company has accumulated tax losses of £312,032 (2019 £Nil) which represents an unrecognised deferred tax asset of approximately £59,286 (2019 £Nil). This asset is not recognised on the balance sheet as there is insufficient certainty as to the extent and timing of its use.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

11. Tangible assets

	Freehold property £	Freehold Improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 December 2019	541,407	392,517	65,280	2,972,899	3,972,103
Additions	-	42,995	7,482	339,585	390,062
At 30 November 2020	<u>541,407</u>	<u>435,512</u>	<u>72,762</u>	<u>3,312,484</u>	<u>4,362,165</u>
Accumulated depreciation					
At 1 December 2019	53,305	200,236	62,735	2,223,309	2,539,585
Charge for the year on owned assets	6,661	40,281	2,057	469,508	518,507
At 30 November 2020	<u>59,966</u>	<u>240,517</u>	<u>64,792</u>	<u>2,692,817</u>	<u>3,058,092</u>
Net book value					
At 30 November 2020	<u>481,441</u>	<u>194,995</u>	<u>7,970</u>	<u>619,667</u>	<u>1,304,073</u>
At 30 November 2019	<u>488,102</u>	<u>192,281</u>	<u>2,545</u>	<u>749,590</u>	<u>1,432,518</u>

Included within additions during the year are various assets which were transferred from voluntarily liquidated group companies to Redstor as part of the final distribution of those company's assets.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

12. Investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 December 2019	1
At 30 November 2020	1
Net book value	
At 30 November 2020	1
At 30 November 2019	1

Subsidiary undertaking

The company had one subsidiary at 30 November 2020 and 30 November 2019, being Centrastor Limited, which was dormant throughout both the current and prior years. Centrastor Limited is incorporated in the UK, and 100% of the ordinary share capital is owned by the company. Its registered office is Fourth Floor Abbots House, Abbey Street, Reading, Berkshire, RG1 3BD.

13. Debtors amounts falling due within one year

	2020 £	2019 £
Trade debtors	953,857	1,123,648
Amounts owed by group undertakings	10,816,493	7,980,882
Other debtors	4,051	457,813
Prepayments	327,858	262,165
Tax recoverable	-	(185)
Deferred taxation	73,646	-
Contract assets	216,995	60,810
	12,392,900	9,885,133

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

13. Debtors amounts falling due within one year (continued)

Amounts owed by group undertakings are payable on demand, they are not secured and there is no interest payable on them.

At 30 November 2020 costs related to the acquisition of contracts of £22,521 (2019: £55,036) have been capitalised.

Costs brought forward of £32,515 (2019:£31,692) in relation to the acquisition of contracts were unwound in the year.

14. Cash at bank and in hand

	2020 £	2019 £
Cash at bank and in hand	1,319,822	785,450
	<u>1,319,822</u>	<u>785,450</u>

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	428,602	519,378
Amounts owed to group undertakings	7,888,855	5,288,733
Corporation tax	37,691	37,691
Other taxation and social security	365,326	150,293
Accruals	185,144	211,050
Contract liabilities	2,376,253	1,993,981
	<u>11,281,871</u>	<u>8,201,126</u>

Amounts owed to group undertakings are payable on demand, they are not secured and there is no interest payable on them.

Revenue of £1,764,991 (2019: £2,093,083) was recognised in the year that was included in the contract liability balance at the beginning of the year. Revenue recognition matches fulfillment of performance obligations such that the unwind of contract liabilities is consistent with the fulfillment. In the year there was no revenue recognised from performance obligations satisfied in previous periods.

Contract liabilities of £2,376,253 (2019: £1,993,981) have been recognised at 30 November 2020.

16. Deferred taxation

	2020 £	2019 £
At beginning of year	(55,775)	(13,468)
Charged to profit or loss	129,421	(42,307)
At end of year	<u>73,646</u>	<u>(55,775)</u>

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

16. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Timing differences	73,646	(55,775)
	<u>73,646</u>	<u>(55,775)</u>

Timing differences are made up of £71,992 (2019: £(59,143)) of Long term differences and £1,654 (2019: £3,368) of short term differences.

17. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
43,745,907 (2019 - 43,745,907) "A" Ordinary shares of £0.001 each	<u>43,746</u>	<u>43,746</u>

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

18. Reserves**Share premium account**

The share premium account includes any premiums received on issue of Share capital. Any transaction costs associated with the issuing of the shares are deducted from share premium.

Profit and loss account

The profit and loss account comprises all gains and losses in the current and previous years.

19. Pension commitments

A defined contribution pension scheme is operated by the company for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contribution payable by the company to the fund and amounted to £57,524 (2019: £53,068). Once the contributions have been paid the company has no further obligations.

20. Related party transactions

The company has taken advantage of exemption available under FRS 101 from the requirement to disclose transactions with other group entities.

The following transactions, conducted on an arm's length basis, were recorded with related parties in the year:

Related party relationship	Transaction Type	2020	2019
Centrastage (Common shareholder)	Sales	32,057	13,900
Wavenet (Common shareholder)	Sales	49,932	15,501
TOTAL		<u>81,989</u>	<u>29,401</u>

21. Events after the reporting date

There is nothing to report in respect of events after the reporting date.

REDSTOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

22. Controlling party

The immediate parent company is Redstor Holdings Limited, which is registered in England.

The ultimate parent company is Celeste Topco Limited which is registered in England.

The ultimate controlling party is Beechtree Private Equity LP by virtue of its controlling interest in the issued share capital of Celeste Topco Limited.

The smallest and largest group for which consolidated financial statements have been prepared is that headed by Celeste Topco Limited. Copies of the group financial statements can be obtained from Companies house or from the registered office.