

Registered number: 12275286

TURBO ACQUISITIONS 10 TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



TURBO ACQUISITIONS 10 TOPCO LIMITED

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TURBO ACQUISITIONS 10 TOPCO LIMITED

COMPANY INFORMATION

Directors	A Bayliss P A Cudd J Declerck K P Fenton N A House D A Moore A Pittingale R P Robinson M W Stables A D Steel
Company secretary	R P Robinson
Registered number	12275286
Registered office	Unit 2 Mill End Road High Wycombe HP12 4AX
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

TURBO ACQUISITIONS 10 TOPCO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the Strategic Report of Turbo Acquisition 10 Topco Limited (the "Group") for the year ended 31 December 2021.

Business review

During 2021 the Group made significant progress towards its stated intention of building the best independent building products merchant business in the RMI (Repairs, Maintenance and Improvements) sector in the geographical area in which it operates; this was achieved by way of a combination of acquisitions, new site development and organic growth. By 31 December 2021 the Group had created the largest such group in the South of England with 137 (2020: 84) branches and 1,930 (2020: 1,123) staff; the rate of increase has continued in 2022 and at the time of writing these numbers have increased to 171 branches and 2,266 staff.

Acquisitions played a large part in this expansion throughout 2021. There were several large purchase transactions of businesses in the South West of England in the first quarter of the year and the purchase of the IBMG Group of Companies, based in Sussex, in September, with several other smaller transactions during the year and to date in 2022. Our thanks go to all staff who have supported these growth efforts.

Market conditions in the RMI sector were strong in 2021. The second COVID lockdown in the early part of the year had only a minimal effect on trading; thereafter volumes remained buoyant with home owners increasing expenditure on home improvement as a result of higher savings through the COVID lockdowns. The Group continued to re-visit sales and pricing policies and procedures to ensure that it was well placed to meet this demand.

The supply chain has on occasion been less reliable during the COVID lockdowns. Management of stock holdings and availability required particular focus during the year as a result of volatility (mostly upwards) in underlying commodity prices. The Group has been successful in its ability to pass through cost price increases during this period.

Customer focus remains a high priority, ensuring that the Group's branches continue to be the destination of choice for all customers. Being able to discuss product specification and suitability with customers and being able to offer collect or delivery alternatives are two important relationship points. Capital expenditure in excess of £6million was incurred during the year on branch improvements, handling equipment and transport.

Key performance indicators

The key performance indicators that the directors monitor with regard to financial performance are as follows:

	Year ended 31 December 2021 £'000	As restated 9 months period ended 31 December 2020 £'000
Turnover	328,610	70,438
Gross profit	104,559	20,701
Gross profit margin (%)	31.82	29.39

The directors will aim to continue and enhance performance by making use of these KPIs, in addition to monitoring non-financial matters including health and safety, colleague retention, stock availability and customer satisfaction.

TURBO ACQUISITIONS 10 TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Business environment and strategy

As a regional independent business, the Group continues to operate in the South of England and is focussed on the RMI marketplace across five divisions; General Merchanting, Plumbing and Heating, Electrical Wholesale, Roofing and Timber. The market in which the Company operates is expected to remain stable, given the continued demand for residential RMI building materials. The strategy remains to develop the group's principal activities and 2022 has seen a combination of acquisitions, new site developments and organic growth.

COVID-19, Brexit and the economic effects of the war in the Ukraine have led the group and the Company to become more focussed on the need to continually risk assess all areas of the business. Being prepared for and understanding new issues quickly is beneficial in being able to minimise impact and respond quickly and appropriately.

The overall strategy continues to be to build the leading independent merchant business in the sector and geographical area in which the business operates. A key action in achieving this is a strong focus on customer needs, supported by further investment in staff, capital expenditure, stock range and stock availability.

Principal risks and uncertainties

Given the nature of the Company's business, the principal risks and uncertainties are economic, operational and financial risks, and the policies and actions put in place to mitigate these risks are set out below.

Economic risk

The economic risk is based upon the risk of inflation, a downturn in the economy and the slowing of demand in the Group's end market sectors, and the effect these would have on the business' marketplace. These are managed by undertaking regular and frequent assessments of the risks faced using both macro market indicators and micro stakeholder information on the market, enabling the directors to take appropriate mitigating actions. While there are downside economic risks, there is a growing focus in the RMI sector on energy efficiency, sustainability and renewables which, together with an ageing housing stock in the UK, is expected to underpin demand for the Group's products in the coming years and decades.

Supply

Being able to source all stocked items and to receive them on time and at the agreed price is a fundamental requirement of doing business in the builders' merchanting sector. Policies and procedures have been re-assessed during the year to ensure that there is strong visibility between suppliers and the Company as to what will be required and when, so that suppliers can plan availability as far in advance as possible. Pricing is discussed on a more frequent basis; it is important that there is understanding between suppliers and the Company regarding material costs (including supplier rebate arrangements) and transport costs so that any anticipated changes to these costs can be appropriately reflected in the Company's selling price to its end customers.

Financial risk

The financial risks faced by the business are credit and liquidity risks.

Credit risk

The credit risk is in respect of trade debtors. Policies and practices require credit checks on customers and prospects with the exposure to any single customer being reviewed carefully. Bad and doubtful debt provisions are reviewed by directors and senior management on an ongoing basis.

TURBO ACQUISITIONS 10 TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Liquidity risk

The Turbo Acquisitions 10 Topco Group maintains long and short term debt finance that is designed to ensure that *all group businesses, including the Company, have available funds for their operations. The level of available funds required is measured and monitored on a regular basis through the use of detailed cash flow forecasts and the comparison of forecasts to actuals in order to improve forecasting techniques.* The directors are confident that this detailed review of the cash inflows, outflows and demands, and regular meetings with other group companies to discuss intercompany borrowings, provides strong insight into the successful management of the business' liquidity and cash resource.

Directors' duties to stakeholders

The directors of the Company have a duty to promote the success of the Company for the benefit of its members, and, in doing so, have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
 - The need to foster the Company's business relationships with lenders and others;
 - *The impact of the Company's operations on the community and environment;*
 - The desirability of the Company to maintain a reputation for high standards of business conduct; and
 - The need to act fairly between members of the Company.
- ('the section 172 matters')

The directors of the Company have sought to balance the needs of its members with the Section 172 matters throughout the year, in the policies and practices which run through the Company, ensuring that the Company's reputation for high standards of conduct is maintained and included within the engagement with all stakeholders.

The directors of the Company have a duty to promote the success of the Company, and it relies on the smooth operations, and the support and joint effort of stakeholders. Thus, effective communication and interaction are *indispensable in the Company's business operations and the directors place a high degree of importance on investigating, analysing and responding to all stakeholder concerns.*

The directors have identified employees, customers, suppliers and shareholders as the Company's most important stakeholders and continue to keep in touch with these and other stakeholders to ensure that appropriate levels of communication are maintained.

Engagement with employees

Employees are the most valuable asset of the Company. Engagement is achieved through group notice boards, staff meetings, toolbox talks and email on the following topics:

- Sustainable strategies and their implementation
- Serving the needs and requirements of suppliers and customers
- Compliance
- Work environment, safety and labour health protection
- Welfare and employee care

The Company has in place strict selection standards and procedures to ensure non-discriminatory employment policy. Employees are provided with relevant job induction and training, provided by external professionals where appropriate, and are encouraged to consider and take forward career development opportunities. Courses aimed at effective leadership and the Company achieving a higher level of performance are arranged for managers.

The directors strive to continually improve employee safety and care. Regular health and safety review and planning meetings are held and the Company has a comprehensive staff health and training programme which encourages employee involvement in the monitoring, enhancing and health and safety practices throughout the Company.

TURBO ACQUISITIONS 10 TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Engagement with customers, suppliers, shareholders and others in a business relationship with the Company

Customers

Company branch staff and management keep in close contact with all customers using this interface to understand products and the relevant quality/quantity to stock. Offering collect and delivery alternatives at competitive prices is crucial to the success of the Company's customer relationships.

Suppliers

The Company works with its supplier base to ensure its operations run smoothly and efficiently, and customer needs can be satisfied effectively. Suppliers having maximum visibility of the Company's requirements and being paid in accordance with relevant terms and conditions are key relationship points.

Shareholders

The directors interface regularly with all Group companies and with the Private Equity Fund who have invested in the Group's strategy regarding the part that the Company plays within the whole Group. A key point in this interface is ensuring that funds are available to meet all financial commitments as they fall due.

Other stakeholders

Sound governance and an ethical corporate culture are important to the Company. As well as ensuring that all taxes are paid in accordance with the various regulations and guidelines currently in force, the Company is constantly mindful of its duties pursuant to environmental, recycling, anti-bribery, anti-corruption and anti-money laundering legislation when dealing with stakeholders.

This report was approved by the board and signed on its behalf by:



R P Robinson
Director

Date: 27 September 2022

TURBO ACQUISITIONS 10 TOPCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and the consolidated audited financial statements of Turbo Acquisition 10 Topco Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2021.

Principal activities

The principal activity of the Group is that of wholesale and retail builders, decorators, plumbers merchants and electrical wholesalers.

As discussed in the Strategic Report on pages 2 to 5 and further detailed in Notes 32 and 36, the Group made 10 acquisitions in 2021 and a further 7 in 2022, all complimentary businesses within the RMI sector in the South of England.

Results and dividends

The loss for the financial year amounted to £17,919,503 (9 months period ended 31 December 2020: £6,562,564). A review of the Group's performance is included within the Strategic Report on pages 2 to 5.

No interim dividends were paid during the year (2020: £Nil). The directors do not recommend payment of a further dividend (2020: £Nil).

Directors

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

A Bayliss
P A Cudd
J Declerck
K P Fenlon (appointed 5 May 2021)
N A House
D A Moore
A Pittingale (appointed 20 September 2021)
R P Robinson
M W Stables (appointed 1 July 2022)
A D Steel

Going concern

The Group has the strong support of the Private Equity Fund which has invested in its strategy. On an ongoing basis the directors prepare and update forecasts and monitor the cash position regularly. The directors are satisfied that, having reviewed the budgets and forecasts, including reasonable downside scenarios, and having considered ongoing shareholder/group support and available facilities, the Group can meet its liabilities as they fall due for the foreseeable future. The directors are therefore of the opinion that it is appropriate to prepare these statements on a going concern basis.

Qualifying third party indemnity provisions

During the period qualifying third party indemnity provisions for the directors were provided by another group company. Such qualifying indemnity provisions remain in force as at the date of approval of the financial statements.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Employee involvement

The Group remains committed to providing a positive and motivating work culture for all employees. The Group's culture is driven by a determination to ensure that these values are more than just words. These values are intrinsic to all processes within the business, including recruitment and induction of new staff, appraisals, performance management, target setting, and performance related awards. They are:

- Progressive - We encourage innovation and creativity to develop our people and products;
- Passionate - We are passionate about our business and committed to deliver success;
- Responsible - We behave responsibly towards one another, the wider community, our customers and the environment;
- Trusted - We aim to be recognised as professional, open and fair by all.

The Group communicates effectively with employees through team briefings and emails; and ensures that all employees are aware of the financial and economic performance of their business units and of the Group. The Group has a flexible and supportive approach to maternity and parental leave returners, and as a result a high percentage continue working within the Group.

Employee diversity

The Group remains committed to having a diverse workforce that reflects our customers, suppliers and society at large. The Group is committed to achieving a working environment which provides equality of opportunity and freedom from unlawful discrimination on the grounds of race, religion or beliefs, age or sexual orientation.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Streamlined energy and carbon reporting

The Group has followed the 2019 UK Government environmental reporting guidance and has used the 2020 UK Government conversion factors.

The following subsidiary companies are the only group entity within the scope of the SECR reporting requirements. Consequently, the presented energy consumption data is in respect of the period the entities were part of the group, as listed below:

- Grant & Stone Limited, 12 months to 31 December 2021 (2020: 12 months 31 December 2020).
- Parker Building Supplies Limited, three months to 31 December 2021.
- Chandlers Building Supplies Limited, three months to 31 December 2021.
- Rawle Gammon & Baker Holdings Limited, 10 months to 31 December 2021.
- CRS Building Supplies Limited, 12 months to 31 December 2021.

Energy usage covered in this disclosure covers all branch properties and transport and is primarily electricity, gas heating and fuel for vehicles.

Energy usage has been calculated based on gas and electricity meter readings. Estimations were undertaken to cover missing billing periods for properties directly invoiced to the company on a kWh/day pro-rata basis at meter level. Estimations were also undertaken to cover company vehicle fuel consumption.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Energy consumption derives from the following fuel types:

Fuel type	Year ended 31 December 2021		Period ended 31 December 2020	
	Consumption (kWh)	CO ₂ e (tonnes)	Consumption (kWh)	CO ₂ e (tonnes)
Gas and fuel oil (scope 1)	421,495	80	31,016	23
Transportation (scope 1)	18,861,453	4,005	4,721,644	1,136
Electricity (scope 2)	2,775,948	598	1,290,125	301
Total	20,058,897	4,683	6,042,785	1,460
Intensity ratio (tCO ₂ e per £m of revenue)	17.3		18.5	

The Group is committed to year-on-year improvements in its operational energy efficiency. As such, a register of energy efficiency measures available to the Group has been compiled.

In 2021, the companies subject to SECR reporting requirements introduced 19 hybrid-electric and three electric vehicles instead of diesel-fuelled ones. The fleet efficiency project has continued into 2022, and the Group intends to run a fully electric fleet by 2027. During the year, the number of hybrid-electric and electric introduced was limited by the availability of vehicles.

Matters covered in the Group Strategic Report

The Group has chosen to set out in the Group's Strategic report certain information that is required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. This is in accordance with the Companies Act 2006, Section 414(11). The matters dealt with in the Strategic Report include director's duties to stakeholders, financial instrument risk and future developments.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

TURBO ACQUISITIONS 10 TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:



R P Robinson
Director

Date: 27 September 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TURBO ACQUISITIONS 10 TOPCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Turbo Acquisitions 10 Topco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and company balance sheet as at 31 December 2021; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 group 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

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 and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

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

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

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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TURBO ACQUISITIONS 10 TOPCO LIMITED (CONTINUED)

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' Report for the year ended 31 December 2021 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 group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and 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 group's and 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 group or 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.

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to law applicable to UK companies such as employment law, Bribery Act 2010 and General Data Protection Regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to improve the financial indicators, for example EBITDA & Net profit, through increasing revenue and reducing expenses, and application of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Directors and management to identify any instances of non-compliance with laws and regulations, including consideration of known or suspected instances of fraud;
- Evaluation of management's control designed to prevent and detect irregularities;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosure and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journals entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business. In particular any journals posted with unusual account combination;
- Challenging and testing assumptions and judgements made by management in respect of their significant accounting estimates (because of the risk of management bias) and obtaining appropriate audit evidence;

TURBO ACQUISITIONS 10 TOPCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TURBO ACQUISITIONS 10 TOPCO LIMITED (CONTINUED)

- Performing unpredictable procedures to assess the control environment and detect any other potential fraudulent activities.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.


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 obtained 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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Ian Dudley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 29 September 2022

TURBO ACQUISITIONS 10 TOPCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Year ended 31 December 2021 £	As restated 9 month period ended 31 December 2020 £
Turnover	5	328,609,513	70,437,849
Cost of sales		(224,050,401)	(49,736,366)
Gross profit		104,559,112	20,701,483
Administrative expenses		(100,686,800)	(21,569,579)
Other operating income	6	20,037	1,424,517
EBITDA pre-exceptional costs		24,415,435	5,673,804
Depreciation		(3,633,050)	(737,688)
Amortisation		(16,121,214)	(3,931,569)
Operating profit before exceptional costs		4,661,171	1,004,547
Exceptional costs	11	(768,822)	(448,126)
Operating profit	7	3,892,349	556,421
Interest receivable and similar income	12	17,127	1,776
Interest payable and similar expenses	13	(20,473,983)	(6,545,950)
Loss before taxation		(16,564,507)	(5,987,753)
Tax on loss	14	(1,354,996)	(574,811)
Loss for the financial year/period		(17,919,503)	(6,562,564)

The 9 month period ended 31 December 2020 has been restated – see Note 4 for details.

The notes on pages 21 to 72 form part of these financial statements.

TURBO ACQUISITIONS 10 TOPCO LIMITED
REGISTERED NUMBER: 12275286

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

		2021 £	As restated 2020 £
	Note		
Fixed assets			
Intangible assets	15	281,725,329	49,464,459
Tangible assets	16	25,075,031	4,143,884
Investments	17	8,500	1,300
Investment property	18	1,423,178	-
		<u>308,232,038</u>	<u>53,609,643</u>
Current assets			
Stocks	19	66,113,673	9,627,216
Debtors	20	91,958,664	15,497,354
Cash at bank and in hand	21	17,950,872	8,110,620
		<u>176,023,209</u>	<u>33,235,190</u>
Creditors: amounts falling due within one year	22	(105,326,262)	(33,312,204)
Net current assets/(liabilities)		<u>70,696,947</u>	<u>(77,014)</u>
Total assets less current liabilities		<u>378,928,985</u>	<u>53,532,629</u>
Creditors: amounts falling due after more than one year	23	(302,443,056)	(62,847,516)
Provisions for liabilities			
Deferred taxation	27	-	(146,246)
Other provisions	28	(1,217,179)	(267,144)
		<u>(1,217,179)</u>	<u>(413,390)</u>
Net assets/(liabilities)		<u><u>75,268,750</u></u>	<u><u>(9,728,277)</u></u>
Capital and reserves			
Called up share capital	29	16,044	10,209
Share premium account	30	103,921,340	1,010,645
Profit and loss account	30	(28,668,634)	(10,749,131)
Total shareholders' funds/(deficit)		<u><u>75,268,750</u></u>	<u><u>(9,728,277)</u></u>

The 9 month period ended 31 December 2020 has been restated – see Note 4 for details.

TURBO ACQUISITIONS 10 TOPCO LIMITED
REGISTERED NUMBER: 12275286

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements on pages 13 to 74 were approved by the Board of Directors and were signed on its behalf on 27 September 2022 by:

A handwritten signature in black ink, appearing to read 'R P Robinson', with a long horizontal flourish extending to the right.

R P Robinson
Director

The notes on pages 21 to 74 form part of these financial statements.

TURBO ACQUISITIONS 10 TOPCO LIMITED
REGISTERED NUMBER: 12275286

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	17	114,584,870	2
Current assets			
Debtors	20	398,567	986,239
Creditors: amounts falling due within one year	22	(11,129,060)	(40,000)
Net current (liabilities)/assets		(10,730,493)	946,239
Total assets less current liabilities		103,854,377	946,241
Capital and reserves			
Called up share capital	29	16,044	10,209
Share premium account	30	103,921,340	1,010,645
Profit and loss account brought forward		(74,613)	(34,613)
Loss for the financial year/period		(8,394)	(40,000)
Profit and loss account carried forward		(83,007)	(74,613)
Total shareholders' funds		103,854,377	946,241

The financial statements on pages 13 to 72 were approved by the Board of Directors and were signed on its behalf on *27th September 2022* by:



R P Robinson
Director

The notes on pages 21 to 72 form part of these financial statements.

TURBO ACQUISITIONS 10 TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' (deficit)/funds £
At 1 April 2020 (as previously stated)	10,209	1,010,645	(3,581,011)	(2,560,157)
Prior year adjustment	-	-	(605,556)	(605,556)
At 1 April 2020 (as restated)	10,209	1,010,645	(4,186,567)	(3,165,713)
Comprehensive expense for the financial period				
Loss for the financial period (as restated)	-	-	(6,562,564)	(6,562,564)
Total comprehensive expense for the financial period	-	-	(6,562,564)	(6,562,564)
At 31 December 2020 and 1 January 2021 (as previously reported)	10,209	1,010,645	(9,846,069)	(8,825,215)
Prior year adjustment	-	-	(903,062)	(903,062)
At 1 January 2021 (as restated)	10,209	1,010,645	(10,749,131)	(9,728,277)
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(17,919,503)	(17,919,503)
Total comprehensive expense for the financial year	-	-	(17,919,503)	(17,919,503)
Contributions by and distributions to owners				
Shares issued during the financial year	5,835	102,910,695	-	102,916,530
Total transactions with owners	5,835	102,910,695	-	102,916,530
At 31 December 2021	16,044	103,921,340	(28,668,634)	75,268,750

The 9 month period ended 31 December 2020 has been restated – see Note 4 for details.

The notes on pages 21 to 72 form part of these financial statements.

TURBO ACQUISITIONS 10 TOPCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 April 2020	10,209	1,010,645	(34,613)	986,241
Comprehensive expense for the financial period				
Loss for the financial period	-	-	(40,000)	(40,000)
Total comprehensive expense for the financial period	-	-	(40,000)	(40,000)
At 31 December and 1 January 2021	10,209	1,010,645	(74,613)	946,241
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(8,394)	(8,394)
Total comprehensive expense for the financial year	-	-	(8,394)	(8,394)
Contributions by and distributions to owners				
Shares issued during the financial year	5,835	102,910,695	-	102,916,530
Total transactions with owners	5,835	102,910,695	-	102,916,530
At 31 December 2021	16,044	103,921,340	(83,007)	103,854,377

The notes on pages 21 to 72 form part of these financial statements.

TURBO ACQUISITIONS 10 TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	As restated 2020 £
Cash flows from operating activities		
Loss for the financial year/period	(17,919,503)	(6,562,564)
Adjustments for:		
Taxation charge	1,354,996	574,811
Interest receivable	(17,127)	(1,776)
Interest payable	20,473,984	6,545,950
Borrowings – early repayment fees	1,232,838	-
Loss/(gain) on disposal of tangible assets	4,141	(40,735)
Amortisation of intangible assets	16,121,214	3,931,569
Depreciation of tangible assets	3,633,050	737,688
Increase in stocks	(8,648,199)	(251,472)
Decrease in debtors	712,902	3,765,925
Decrease in creditors	(6,918,590)	(1,827,951)
Increase in provisions	196,890	44,198
Corporation tax paid	(4,558,680)	(540,834)
Net cash generated from operating activities	5,667,916	6,374,809
Cash flows from investing activities		
Acquisition of businesses	(86,004,114)	(5,747,203)
Purchase of intangible assets	(108,285)	-
Purchase of tangible assets	(6,436,408)	(498,837)
Purchase of investment properties	(1,423,178)	-
Sale of tangible assets	433,172	63,412
Interest received	17,127	1,776
Deferred consideration paid	(700,000)	-
Net cash from investing activities	(94,221,686)	(6,180,852)
Cash flows from financing activities		
Issue of ordinary shares	497,337	-
Proceeds from borrowings	200,533,982	29,649,141
Repayment of borrowings including early repayment fees	(95,649,376)	(32,402,466)
Interest paid	(7,612,625)	(2,418,556)
New finance lease and hire purchase borrowings	1,840,571	-
Finance lease and hire purchase repayments	(1,215,867)	(41,095)
Net cash used in financing activities	98,394,022	(5,212,976)

TURBO ACQUISITIONS 10 TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	As restated
	£	2020 £
Net increase/(decrease) in cash and cash equivalents	9,840,252	(5,019,019)
Cash and cash equivalents at beginning of financial year/period	8,110,620	13,129,639
Cash and cash equivalents at the end of financial year/period	17,950,872	8,110,620
Cash and cash equivalents at the end of financial year/period comprise:		
Cash at bank and in hand	17,950,872	8,110,620

The 9 month period ended 31 December 2020 has been restated – see Note 4 for details.

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Turbo Acquisitions 10 Topco Limited ("the Company") is a private limited company limited by shares incorporated in England and Wales. The registered office is Unit 2, Mill End Road, High Wycombe, Buckinghamshire, HP12 4AX.

The Company's principal activities and nature of its operations are disclosed in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention 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 judgement 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.

The financial statements are prepared in GBP, which is the functional currency of the Company and the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Parent Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;

2.3 Basis of consolidation

The Group financial statements incorporate those of Turbo Acquisitions 10 Topco Limited and all of its subsidiaries (i.e., entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Going concern

The Group has the strong support of the Private Equity Fund which has invested in its strategy. On an ongoing basis the directors prepare and update forecasts and monitor the cash position regularly. The directors are satisfied that, having reviewed the budgets and forecasts, including reasonable downside scenarios, and having considered ongoing shareholder/group support and available facilities, the Group can meet its liabilities as they fall due for the foreseeable future. The directors are therefore of the opinion that it is appropriate to prepare these statements on a going concern basis.

2.5 Reporting period

The reporting period is from 1 January 2021 to 31 December 2021. The prior reporting period is from 1 April 2020 to 31 December 2020.

2.6 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied net of returns, discounts and rebates allowed by the Group and value added taxes.

The Group recognises Turnover when the significant risks and rewards of ownership of the goods have been transferred to the purchaser; the Group retains no continuing involvement or control over the goods; the amount of revenue can be measured reliably; and it is probable that future economic benefits will flow to the Group.

The Group operates trade and retail branches where the customer takes control of the goods at the point of sale or on delivery. Sales can be cash, credit account or credit card.

2.7 Supplier rebates

Rebates are recognised by way of a reduction to Cost of Sales and Stock held when the Group's contractual entitlement to the rebate has been established.

Rebate debtors, which are included within Other debtors, are reviewed regularly for recoverability.

2.8 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is *reasonable assurance that the grant conditions will be met and the grants will be received.*

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2.9 Interest income

Interest income is recognised in Group Statement of Comprehensive Income using the effective interest method.

2.10 Finance costs

Interest costs are chargeable to the Group Statement of Comprehensive Income over the term of the debt using the effective interest method so that the charge is at a constant rate on the carrying amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.11 Borrowing costs

Finance acquisition and issue costs are initially recognised as a reduction in the carrying value of the associated borrowing. These costs, in line with the effective interest rate method, are then transferred to the Consolidated Statement of Comprehensive Income at a constant rate over the repayment period.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.13 Pensions

Defined contribution pension plan

The Group operates defined contribution plans for its employees. The Group pays fixed contributions into the plans whose assets are held separately from the Company in independently administered funds.

Group contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Group and employee contributions due to the plans but not paid are included in Other creditors, as a liability.

2.14 Current and deferred taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.15 Intangible assets

Business combinations

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration paid or deferred, liabilities incurred or assumed and equity instruments issued, plus costs directly attributable to the business combination.

Contingent consideration is initially recognised at the estimated amount where the consideration is probable and can be measured reliably. Where the contingent consideration is not considered probable or cannot be reliably measured, but subsequently becomes probable or measurable or the contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

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.

Goodwill

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair value of 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 10 years. Goodwill is assessed for impairment when there are indicators of impairment, and any impairment is charged to the Consolidated Statement of Comprehensive Income. No reversals of impairment are recognised.

Other intangible assets

Intangible assets acquired are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, on the following bases:

Trade marks	- Over life of trade mark
Brands	- 10% straight line
Computer software	- 25% straight line

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.

2.16 Tangible fixed assets

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

Depreciation is recognised on either a straight line or reducing balance basis to write down the cost or valuation of assets less their estimated residual values over their useful lives at the following rates:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.16 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Leasehold land and buildings	- over life of lease
Plant and machinery	- 15 - 25%
Fixtures and fittings	- 15 - 33%
Computers	- 25 - 30%
Motor vehicles	- 25 - 30%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Group Statement of Comprehensive Income.

2.17 Impairment of fixed assets

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2.18 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

2.19 Investments

In the Company Balance Sheet, investments in subsidiary companies are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

Other fixed asset investments are stated at historic cost less impairment.

2.20 Stocks

Stocks are valued at the lower of cost, after deducting supplier rebates, and net realisable value.

Stocks are recognised as an expense in the period in which the related revenue is recognised.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of any item of stock over its selling price less costs to sell is recognised as an impairment loss in the Consolidated Statement of Comprehensive Income. Reversals of impairment losses are also recognised in the Consolidated Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.21 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Revolving credit facility drawings and overdrafts are included within current liabilities.

2.22 Hire purchase and leasing commitments

Leases which do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals paid under operating leases are charged to the Group Statement of Comprehensive Income on a straight line basis over the period of the lease. These include cars which are leased pursuant to contract hire agreements.

Leases of assets that transfer substantially all the risk and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Finance lease assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of finance lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest method to produce a constant rate of charge on the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is recorded as a liability on inception of the arrangement. Periodic payments are apportioned between capital repayment and finance charge, using the effective interest method to produce a constant rate of charge on the balance of capital repayments outstanding.

2.23 Provision for dilapidations

Because a potential liability exists for dilapidations pursuant to property leases, the Group, during the lease period, has a policy of repairing and maintaining leasehold property to an appropriate standard and providing for any residual liability. All provisions for dilapidations are charged to the Consolidated Statement of Comprehensive Income over the period of the lease.

When a dilapidations liability crystallises, the amount payable plus any consequential adjustment to the provision held, are charged to the Consolidated Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.24 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.

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method.

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.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at the market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down – in this case the fee is deferred until draw down. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due in one year or less - if not, they are presented as non current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial 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.

2.25 Equity instruments

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Judgements 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Carrying value of goodwill

The annual amortisation charge, which is sensitive to changes in the length of the amortisation period, is reviewed regularly to ensure that appropriate charges are being recognised for amortisation. The directors also regularly review the carrying value of Goodwill for indicators of impairment and recognise any required write down. No changes to the amortisation period or requirements for impairment write down have been identified.

Business combinations

During the year the Group acquired the entire share capital of the companies shown per Note 32. Judgement is required in determining the date of control passing, which, in all cases, was deemed to be the date of completion of the share purchase agreement.

The companies acquired have been consolidated from the date of the nearest month end management accounts, having taken into account material transactions between the actual date of acquisition of the relevant business and the date of the month end management accounts used.

The directors have performed a detailed review of the identifiable assets acquired and liabilities assumed by the Group on acquisition of each business in order to ensure that they are recognised at fair value.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stocks

Current policy and working practices are geared to ensure that obsolete or slow moving stock is identified and that appropriate provision is recognised in respect of this stock. This process is overseen by directors and senior managers who are independent from the branch staff and who carry out relevant age, profile and percentage checks to ensure that the provision set out in Note 19 is realistic taking account of upside and downside potential.

The Stocks valuation at the reporting date is after the deduction of rebates due to the Group pursuant to contractual agreements with suppliers - see Supplier Rebates paragraph later in this note.

Debtors

The Group reviews all overdue trade debtors on an ongoing basis to assess whether any impairment is necessary. The decision regarding the appropriate amount to recognise by way of impairment is overseen by directors and senior managers who have no responsibility for branch profitability to ensure that the provision set out in Note 20 is firmly based on an independent view.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Judgements in applying accounting policies (continued)

Supplier rebates

Because rebate income is received in arrears, estimates are required to calculate the amounts receivable and to be included within Other debtors. Detailed purchase records and current rebate deals agreed with suppliers are used to estimate rebate amounts receivable, which amounted to £12,941,601 as at 31 December 2021, and the deduction of rebates received or receivable in respect of stock holdings as at 31 December 2021, which amounted to £4,980,830.

Amounts due to/from other group companies

The directors review amounts due to/from other group companies with the directors of the relevant companies on a regular basis. In the directors' opinion, at the period end there are no indicators of impairment and, therefore, no impairment is required.

Provision for Dilapidations

Estimates are required to identify potential future property dilapidations liabilities, to calculate the cost to settle these liabilities and to take account of property repair and maintenance cost inflation until the end of the lease period. These estimates are calculated based on repair requirements identified during periodic property inspections and the estimated cost to be incurred based on past experience, appropriate property cost inflation figures to the end of the relevant lease period and the views of appropriate senior staff, and are reviewed on an ongoing basis, with appropriate changes to provisions made, as required.

Due to the significant number of properties leased by the Group and the difficulty in predicting expenditure that will be required on the return of a property to the landlord, sometimes many years into the future, the dilapidations provision is considered a source of significant estimation uncertainty. Whereas the provision is based on historic experience and the amount as at 31 December 2021 of £1,212,808 is considered the most realistic, taking account of all factors, the directors feel that worst and best case scenarios would range between £1,500,000 and £1,000,000.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Prior period adjustments

The directors, having previously considered the impact of rebates in stock to be immaterial, are aware that the adjustment required to ensure that stocks are valued at cost net of rebates receivable has become a significant figure. The Company's accounting policy has, therefore, been updated so that the holding of each item of stock at the reporting date should be after the deduction of rebates due per contractual agreements with suppliers, in line with the provisions of FRS 102. The stock valuation as at 31 December 2021 of £67,108,083 (see note 19) is net of rebate amounts of £4,980,830. The impact of this on the prior period is to reduce Stock values at 1 April 2020 by £1,205,257 and at 31 December 2020 by £1,148,134 compared to previously reported figures, and to reduce Cost of Sales for the period ended 31 December 2020 by £57,123, as shown in the tables later in this note.

The Group has always had a policy of repairing and maintaining leasehold property to an appropriate standard during the lease period and to recognise all liabilities when they are identified. There may also be a residual liability to meet at the end of the lease period. The directors have identified inconsistencies in prior year calculations and therefore corrected the comparative figures. The impact of this on the prior period is to recognise a Provision for dilapidations at 1 April 2020 of £222,946 and at 31 December 2020 of £267,144 and to increase Administrative expenses for the period ended 31 December 2020 by £44,198, as shown in the tables later in this note.

The directors have carried out a review of the Group's VAT position and have identified some shortcomings in the VAT accounting of two subsidiary companies over several years and have made a voluntary declaration to HM Revenue and Customs in this respect. The Directors have therefore made the required adjustments to prior periods and full provision for the settlement of all anticipated liabilities amounting to £1,050,826 plus interest has been recognised per the 31 December 2021 Consolidated Balance Sheet.

It has been identified that some salaries paid by the Group in any month are not in respect of the period ending on the month end date. Accruals have now been processed at the reporting date to ensure that full provision for salaries is made for the period up to and including 31 December. The impact of this on the prior period is to increase Other creditors and accruals at 1 April 2020 by £233,993 and at 31 December 2020 by £269,675 and to increase Cost of Sales and Administrative Expenses by £35,682 for the period ended 31 December 2020, as shown in the tables later in this note.

The directors have carefully considered the above items and the amounts involved, and have reflected these items by way of prior year adjustments, including the consequential changes to opening Reserves and Goodwill capitalised on the acquisition of the relevant businesses in the recent past plus amortisation thereof, and fair value adjustments on the acquisition of businesses during the current year. The prior year adjustment element of the above is detailed in the following tables. As a result of the above adjustments there have been consequential adjustments to the cash flow, specifically increase/decrease in debtors, stock and provisions.

TURBO ACQUISITIONS 10 TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Prior period adjustments (continued)

Changes to the Consolidated Balance Sheet

	As previously reported £	Adjustment at 1 Apr 2020 £	As restated £
1 April 2020			
Intangible assets			
Goodwill	48,874,593	1,769,149	50,643,742
Accumulated amortisation	(1,889,727)	(67,374)	(1,957,101)
Current assets			
Stock	9,638,490	(1,205,257)	8,433,233
Creditors due within one year			
Other tax and social security	(1,502,546)	(645,135)	(2,147,681)
Other creditors and accruals	(4,078,785)	(233,993)	(4,312,778)
Creditors due after more than one year			
Dilapidations	-	(222,946)	(222,946)
Net liabilities	(2,560,157)	(605,556)	(3,165,713)
Capital and reserves			
Profit and Loss	(3,581,011)	(605,556)	(4,186,567)
Total equity	(2,560,157)	(605,556)	(3,165,713)
	As previously reported £	Adjustment at 31 Dec 2020 £	As restated £
31 Dec 2020			
Intangible assets			
Goodwill	53,582,280	1,769,149	55,351,429
Accumulated amortisation	(5,687,845)	(200,666)	(5,888,511)
Current assets			
Stock	10,775,350	(1,148,134)	9,627,216
Creditors due within one year			
Other tax and social security	(2,152,857)	(786,592)	(2,939,449)
Other creditors and accruals	(4,883,978)	(269,675)	(5,153,653)
Creditors due after more than one year			
Dilapidations	-	(267,144)	(267,144)
Net liabilities	(8,825,215)	(903,062)	(9,728,277)
Capital and reserves			
Profit and Loss	(9,846,069)	(903,062)	(10,749,131)
Total equity	(8,825,215)	(903,062)	(9,728,277)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Prior period adjustments (continued)

Changes to the Consolidated Statement of Comprehensive Income for the period 1 April 2020 to 31 December 2020

	As previously reported £	Adjustment £	As restated £
Cost of sales	(49,664,643)	(71,723)	(49,736,366)
Gross profit	20,773,206	(71,723)	20,701,483
Administrative expenses	(16,612,120)	(64,139)	(16,676,259)
Amortisation	(3,798,277)	(133,292)	(3,931,569)
Operating profit	825,575	(269,154)	556,421
Interest payable	(6,517,598)	(28,352)	(6,545,950)
Loss before taxation	(5,690,247)	(297,506)	(5,987,753)
Taxation	(574,811)	-	(574,811)
Loss after taxation	(6,265,058)	(297,506)	(6,562,564)

5. Turnover

Turnover is wholly attributable to the principal activity of the Group, being that of wholesale and retail builders, decorators, plumbers merchants and electrical wholesalers; and arises entirely on sales made within the United Kingdom.

6. Other operating income

	Year ended 31 December 2021 £	9 months period ended 31 December 2020 £
Government grants	20,037	1,424,517

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Operating profit

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

	Year ended 31 December 2021 £	As restated 9 months period ended 31 December 2020 £
Depreciation - owned assets	2,844,040	723,796
Depreciation - assets on hire purchase contracts and finance leases	789,010	13,892
Loss/(profit) on disposal of tangible assets	4,141	(40,735)
Amortisation of intangible assets	16,121,214	3,931,569
Operating lease rentals	8,164,281	2,047,941

8. Auditors' remuneration

	Year ended 31 December 2021 £	9 months period ended 31 December 2020 £
Fees payable to the Group's auditors for the audit of the Group's and Company's annual financial statements	35,500	6,500
Fees payable to the Group's auditors in respect of:		
Audit of the financial statements of subsidiary companies	285,000	89,750
Tax compliance services of subsidiary companies	51,700	6,250
All other services	216,210	-
	552,910	96,000

Other services include Corporate Finance and Tax advice on acquisition activity during the year.

It has been arranged with subsidiary company, Grant & Stone Limited, that they will meet the above audit and taxation compliance fees of the Company and certain group members.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Employees

Staff costs were as follows:

	Group 2021 £	As restated Group 2020 £
Wages and salaries	41,316,655	9,625,777
Social security costs	4,024,429	1,097,775
Other pension costs	1,651,812	219,619
	<u>46,992,896</u>	<u>10,943,171</u>

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

	Year ended 31 December 2021	9 months period ended 31 December 2020
	Number	Number
Operations	1,178	269
Administrative	272	67
Distribution	480	44
	<u>1,930</u>	<u>380</u>

The Company has no employees. The directors are employed by another group company and they did not receive any remuneration in respect of services to the Company (2020: £Nil)

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Directors' remuneration

	Year ended 31 December 2021 £	9 months period ended 31 December 2020 £
Aggregate directors' remuneration	2,118,730	1,320,415
Group contributions to defined contribution pension schemes	30,114	14,437
	<u>2,148,844</u>	<u>1,334,852</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2020: 3).

The highest paid director received remuneration of £805,490 (2020: £361,836).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2020: £441).

The directors did not receive any remuneration in respect of services to the Company.

11. Exceptional costs

	Year ended 31 December 2021 £	9 months period ended 31 December 2020 £
Exceptional administrative expenses	768,822	448,126

Exceptional costs comprise Operating Review, Consultancy, Transformation and Redundancy costs, which were incurred in preparing for and commencing with business performance enhancement and re-organisation projects.

12. Interest receivable and similar income

	Year ended 31 December 2021 £	9 months period ended 31 December 2020 £
Interest on bank deposits	1,594	19
Interest on corporation tax overpaid	160	-
Other interest income	15,373	1,757
	<u>17,127</u>	<u>1,776</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Interest payable and similar expenses

	2021	2020
	£	£
Bank interest	21,775	-
Invoice discounting facility charges	-	38,304
Senior term loan facility	2,649,896	849,171
Revolving credit facility	337,109	7,671
New term loan facilities	8,951,015	-
Loan notes – Cairngorm Capital Partners I LP	1,217,943	-
Loan notes – Cairngorm Capital Partners II LP	241,451	-
Loan notes A – Cairngorm Capital Partners III LP	4,206,597	2,811,768
Loan notes A – Other	2,089,816	1,405,884
Loan Notes B – Cairngorm Capital Partners III LP	92,514	764,599
Loan notes – Other	468,513	666,361
Interest on finance lease and hire purchase contracts	151,715	2,084
Interest on overdue taxes	39,346	-
Other interest	6,293	108
	20,473,983	6,545,950

Details of loans, drawings, repayments and interest rates can be found in note 24.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Tax on loss

	Year ended 31 December 2021 £	As restated 9 months period ended 31 December 2020 £
Corporation tax		
Current tax on loss for the financial year/period	1,866,067	689,547
Adjustments in respect of previous periods	(25,086)	15,618
Total current tax	1,840,981	705,165
Deferred tax		
Origination and reversal of timing differences	(348,697)	(56,882)
Adjustment in respect of prior periods	7,979	(73,472)
Effect of changes in tax rates	(145,267)	-
Total deferred tax	(485,985)	(130,354)
Total tax	1,354,996	574,811

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Tax on loss (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	Year ended 31 December 2021 £	As restated 9 months period ended 31 December 2020 £
Loss before taxation	(16,564,507)	(5,987,753)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(3,147,257)	(1,137,673)
Effects of:		
Expenses not deductible for tax purposes	4,828,833	1,868,582
Permanent capital allowances in excess of depreciation	-	327
Depreciation on assets not qualifying for tax allowances	-	22,004
Under provided in prior years	-	260
Adjustments to tax charge in respect of prior periods	(17,107)	(58,114)
Tax related to the pre-acquisition period	-	(177,101)
Non-taxable income	(41,341)	-
Deferred tax not recognised	(122,865)	-
Tax effect of prior year adjustment	-	56,526
Tax rate changes	(145,267)	-
Total tax charge for the financial year/period	1,354,996	574,811

Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the Balance Sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the Balance Sheet date, would not be material to disclose.

There is an unrecognised Deferred Tax asset at the reporting date amounting to £413,114 – this represents short term timing differences.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Intangible assets

Group

	Brand £	Goodwill £	Trademarks £	Computer software £	Total £
Cost					
At 1 January 2021 (as previously stated)	-	55,351,429	1,807	(1,769,149)	53,584,087
Prior Year Adjustment	-	-	-	1,769,149	1,769,149
At 1 January 2021 (as restated)	-	55,351,429	1,807	-	55,353,236
Additions	-	75,276	-	108,286	183,562
Business combinations (note 32)	152,083	246,899,884	-	1,146,555	248,198,522
At 31 December 2021	152,083	302,326,589	1,807	1,254,841	303,735,320
Accumulated amortisation					
At 1 January 2021 (as previously stated)	-	5,888,511	266	(200,666)	5,688,111
Prior Year Adjustment	-	-	-	200,666	200,666
At 1 January 2021 (as restated)	-	5,888,511	266	-	5,888,777
Charge for the year	20,833	16,088,137	213	12,031	16,121,214
At 31 December 2021	20,833	21,976,648	479	12,031	22,009,991
Net book value					
At 31 December 2021	131,250	280,349,941	1,328	1,242,810	281,725,329
At 31 December 2020 (as restated)	-	49,462,918	1,541	-	49,464,459

Depreciation has not been provided until 2022 on Computer software that was, during 2021, not fully operational.

The Company has no intangible assets

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Tangible fixed assets

Group

	Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2021	374,011	1,083,822	2,921,278	771,151	5,150,262
Additions	739,853	1,816,772	1,305,642	2,574,141	6,436,408
Business combinations (note 32)	3,624,221	5,005,384	2,770,361	7,165,136	18,565,102
Disposals	-	(388,584)	(1,920)	(1,121,770)	(1,512,274)
At 31 December 2021	<u>4,738,085</u>	<u>7,517,394</u>	<u>6,995,361</u>	<u>9,388,658</u>	<u>28,639,498</u>
Accumulated depreciation					
At 1 January 2021	24,643	306,636	574,005	101,094	1,006,378
Charge for the year	206,735	1,081,240	753,555	1,591,520	3,633,050
Disposals	(59)	(197,929)	-	(876,973)	(1,074,961)
At 31 December 2021	<u>231,319</u>	<u>1,189,947</u>	<u>1,327,560</u>	<u>815,641</u>	<u>3,564,467</u>
Net book value					
At 31 December 2021	<u>4,506,766</u>	<u>6,327,447</u>	<u>5,667,801</u>	<u>8,573,017</u>	<u>25,075,031</u>
At 31 December 2020	<u>349,368</u>	<u>777,186</u>	<u>2,347,273</u>	<u>670,057</u>	<u>4,143,884</u>

Included within Tangible assets carrying amounts are £5,310,989 (31 December 2020: £253,586) in respect of assets held under finance lease and similar hire purchase contracts. Depreciation for the year on these assets was £789,011 (31 December 2020: £13,982).

The Company has no tangible fixed assets.

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. Investments

Group

	Unlisted investments £
Cost	
At 1 January 2021	1,300
Additions	7,200
At 31 December 2021	<u>8,500</u>

The Unlisted investments represent shareholdings in Buying Societies.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	2
Additions	114,584,868
At 31 December 2021	<u>114,584,870</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Turbo Acquisitions 10 Midco Limited	1	Ordinary	100%
Turbo Acquisitions 10 Subco Limited	1	Ordinary	100%
Turbo Acquisitions 10 Bidco Limited	1	Ordinary	100%
Grant & Stone Limited	1	Ordinary	100%
Trading Depot U.K. Limited*	2	Ordinary	100%
IBMG Topco Limited*	5	Ordinary	100%
IBMG Midco Limited	5	Ordinary	100%
Independent Builders Merchant Group Limited*	3	Ordinary	100%

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
CRS Building Supplies Limited*	1	Ordinary	100%
Buildit Gloster Limited	1	Ordinary	100%
Rawle Gammon & Baker Holdings Limited*	1	Ordinary	100%
Total Plumbing Supplies Limited	1	Ordinary	100%
Devondale Holdings Limited*	1	Ordinary	100%
3 Counties Timber & Building Supplies Ltd.*	1	Ordinary	100%
3 Counties Plant and Tool Hire Limited*	1	Ordinary	100%
D.W. Burns & Partner Limited*	1	Ordinary	100%
Vinall Holdings Ltd*	1	Ordinary	100%
Perrys Builders Merchants Limited*	1	Ordinary	100%
Buildit Malmesbury Limited*	1	Ordinary	100%
Rawle Gammon & Baker Limited*	1	Ordinary	100%
Rock Trading Company Limited*	1	Ordinary	100%
Wreyland Developments Limited*	1	Ordinary	100%
R.G.B. Employees Beneficial Trust Limited*	1	Ordinary	100%
Devondale Electrical Distributors Limited*	1	Ordinary	100%
Sussex Plumbing Supplies Limited*	1	Ordinary	100%
Parker Building Supplies Limited*	3	Ordinary	100%
Fairalls Group Limited*	3	Ordinary	100%
Fairalls (Builders Merchants) Limited*	3	Ordinary	100%
Sussex Turnery & Moulding Company Limited*	3	Ordinary	100%
Chandlers Building Supplies Limited*	4	Ordinary	100%
Chandlers Topco Limited*	4	Ordinary	100%
Chandlers Building Supplies Holdings Limited*	4	Ordinary	100%
Chandlers Roofing Supplies Limited*	4	Ordinary	100%

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Chandlers Roofing Supplies (Halesowen) Limited*	4	Ordinary	100%
Chandlers Roofing Supplies (North London) Limited*	4	Ordinary	100%
Chandlers Roofing Supplies (Coventry) LLP*	4	Membership Interest	100%
Crow & Co Plumbers Merchants Limited*	1	Ordinary	100%

The only subsidiary companies where the investment is held directly by the Company are Turbo Acquisitions 10 Midco Limited and IBMG Topco Limited.

Registered office addresses:

1. Unit 2 Mill End Road, High Wycombe, Buckinghamshire, England, HP12 4AX.
2. Unit 3 Furze Platt Business Park, Gardner Road, Maidenhead, Berks, SL6 7PR.
3. Unit J1 Franklin House, Chaucer Business Park, Dittons Road, Polegate, England, BN26 6JF.
4. The Broyle, Ringmer, Lewes, East Sussex, BN8 5NP.
5. 3rd Floor 22 Cross Keys Close, London, England, England, W1U 2DW.

The principal activity of Grant & Stone Limited, Trading Depot U.K. Limited, CRS Building Supplies Limited, Buildit Gloster Limited, Rawle Gammon & Baker Holdings Limited, Total Plumbing Supplies Limited, 3 Counties Plant and Tool Hire Limited, D.W. Burns & Partner Limited, Perrys Builders Merchants Limited, Buildit Malmesbury Limited, Devondale Electrical Distributors Limited, Sussex Plumbing Supplies Limited, Parker Building Supplies Limited, Fairalls (Builders Merchants) Limited, Chandlers Building Supplies Limited, Chandlers Roofing Supplies (Halesowen) Limited, Chandlers Roofing Supplies (North London) Limited and Chandlers Roofing Supplies (Coventry) LLP is the sale of building, electrical, plumbing and ancillary products to trade and retail customers.

The principal activity of Sussex Turnery & Moulding Company Limited is the manufacture and sale of timber products to trade and retail customers.

Turbo Acquisitions 10 Midco Limited, IBMG Topco Limited, IBMG Midco Limited, Turbo Acquisitions 10 Bidco Limited, Devondale Holdings Limited, Independent Builders Merchant Group Limited, Fairalls Group Limited, Chandlers Topco Limited, Chandlers Building Supplies Holdings Limited, Chandlers Roofing Supplies Limited and Vinall Holdings Limited are intermediate holding companies.

Rock Trading Company Limited, Wreyland Developments Limited, R.G.B. Employees Beneficial Trust Limited, Rawle Gammon & Baker Limited, Crow & Co Plumbers Merchants Limited and 3 Counties Timber and Building Supplies Limited are dormant companies.

All companies denoted with * are exempt from audit by virtue of section 479A of the Companies Act 2006. In accordance with Section 479C of the Companies Act 2006, the Company has provided guarantees in respect of the liabilities of these companies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2021	-
Additions at cost	1,423,178
At 31 December 2021	1,423,178

Investment property represents land and buildings purchased during the year for £1,423,178. This property was sold for £1,698,566, net of costs of sale, in 2022.

19. Stocks

	2021 £	As restated 2020 £
Factory raw materials	3,544,576	-
Factory finished goods	4,835,845	-
Goods for resale	57,733,252	9,627,216
	66,113,673	9,627,216

Stocks are stated after provision for impairment of £2,849,852 (2020: £385,268).

The carrying value of Stocks is not materially different from the replacement cost.

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

20. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after more than one year				
Deferred taxation (see note 27)	442,755	-	2,798	-
Due within one year				
Trade debtors	63,719,987	11,446,693	-	-
Amounts owed by group undertakings	-	-	-	865,495
Other debtors	15,921,985	4,050,373	395,768	120,744
Corporation tax recoverable	-	288	-	-
Prepayments and accrued income	11,873,937	-	-	-
	91,958,664	15,497,354	398,566	986,239

On 26 February 2021, subsidiary company, Turbo Acquisitions 10 Bidco Limited, repaid all Loan note borrowings due to the Company. Interest was receivable on these Loan notes at 10%, 7.5% being paid quarterly and 2.5% being capitalised monthly.

Trade debtors are stated after provision for impairment of £1,964,092 (2020: £540,748).

On 17 September 2021, subsidiary company, Turbo Acquisitions 10 Bidco Limited, repaid £12,351,796 of amounts owed to the Company.

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

The portion of Deferred tax asset expected to reverse within 1 year amounts to £136,875.

21. Cash at bank and in hand

	Group 2021 £	Group 2020 £
Cash at bank and in hand	17,950,872	8,110,620

TURBO ACQUISITIONS 10 TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2021	As restated	2021	As restated
	£	£	£	£
Revolving credit facility (see note 24)	-	5,000,000	-	-
Senior term loan facility (see note 24)	-	723,308	-	-
Trade creditors	69,328,922	10,738,377	-	-
Amounts owed to group undertakings	-	-	11,129,060	-
Loan notes B - Cairngorm Capital Partners III LP	-	5,189,297	-	-
Corporation tax	823,563	470,784	-	-
Other taxation and social security	8,275,631	2,939,449	-	-
Obligations under finance lease and hire purchase contracts (see note 25)	1,594,009	97,336	-	-
Other creditors	1,875,113	5,153,653	-	40,000
Deferred consideration on acquisitions	12,700,000	-	-	-
Accruals and deferred income	10,729,024	-	-	-
	105,326,262	33,312,204	11,129,060	40,000

On 17 September 2021, the Company repaid £12,351,796 to immediate parent company, Turbo Acquisitions 10 Midco Limited.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Creditors: amounts falling due after more than one year

	Group 2021 £	Group 2020 £
Senior term loan facility (see note 24)	-	18,616,054
Revolving credit facility (see note 24)	15,000,000	-
New term loan facilities (see note 24)	191,470,406	-
Loan notes – Cairngorm Capital Partners I LP (see note 24)	27,609,945	-
Loan notes – Cairngorm Capital Partners II LP (see note 24)	5,542,740	-
Loan notes A – Cairngorm Capital Partners III LP (note 24)	29,311,181	25,611,781
Loan notes A - Other (note 24)	14,726,774	12,805,890
Loan notes – Other (see note 24)	5,446,786	4,335,173
Net obligations under finance leases and hire purchase contracts (see note 25)	3,772,344	78,618
Accruals and deferred income	5,912,880	-
Deferred consideration on acquisitions	3,650,000	1,400,000
	302,443,056	62,847,516

The above Senior term loan and New term loan facility amounts are stated net of fees incurred acquiring finance less amounts amortised..

Included within Accruals and deferred income is an amount of £670,617 which is estimated will be due to the beneficiaries of the Employee Benefit Trust of subsidiary company, Rawle Gammon & Baker Holdings Limited on receipt of monies due to the Trust from immediate parent company, Turbo Acquisitions 10 Midco Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

24. Loans

	Group 2021 £	Group 2020 £
Amounts falling due < 1 year		
Revolving credit facility	-	5,000,000
Senior term loan facility	-	1,080,000
Loan notes B - Cairngorm Capital Partners III LP	-	5,189,297
	<u>-</u>	<u>11,269,297</u>
Amounts falling due > 1 year		
Senior term loan facility	-	20,250,000
Revolving credit facility	15,000,000	-
New term loan facilities	199,235,134	-
Loan notes – Cairngorm Capital Partners I LP	27,731,955	-
Loan notes – Cairngorm Capital Partners II LP	5,542,740	-
Loan notes A - Cairngorm Capital Partners III LP	29,453,548	25,611,781
Loan notes A - Other	14,726,774	12,805,890
Loan notes – Other	5,446,786	4,504,505
	<u>297,136,937</u>	<u>63,172,176</u>
 Total loans	 297,136,937	 74,441,473
Unamortised fees re acquiring finance	(8,029,105)	(2,159,970)
	<u>289,107,832</u>	<u>72,281,503</u>

Senior term loan facility

In July 2020 and January 2021, the Group borrowed £40.4 million pursuant to a Senior term loan facility. These drawings allowed the Group to repay Loan note and intercompany borrowings and advance further amounts to fellow subsidiary companies to fund company acquisition activities. In February 2021, the Group repaid all amounts due pursuant to Loan note and the Senior loan facility totalling £44.64 million.

New term loan facilities

£94million was borrowed in February 2021 pursuant to New term loan facilities to enable the Company to fully repay the above facilities and to advance further amounts to fellow subsidiary companies to fund further company acquisition activities. These New term loan facilities were increased and further amounts of £83.7 million and £21.5 million were borrowed in September and October 2021 and these amounts were also advanced to fellow subsidiary companies to fund further company acquisition activities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Loans (continued)

Revolving credit facility

The Company also made drawings pursuant to a Revolving credit facility of £5 million in December 2020, £5 million in February 2021 and £5million in September 2021.

Repayments

There are no periodic repayments required in respect of any of the current facilities; £184.2 million is repayable in August 2026 and £30 million is repayable in February 2027.

Interest

Interest is payable of the various facilities as follows –

- Senior term loan – LIBOR plus 7.5%
- New term loan – rates ranging between SONIA plus 3.5% and SONIA plus 7.5%
- Revolving credit facility – SONIA plus 3%

Security

Amounts borrowed by the Company pursuant to the Senior term loan facility were secured by way of fixed and floating charges over all property and undertakings of the Company until February 2021 when all amounts pursuant to the facility were repaid and the security was discharged.

All amounts borrowed by the Company pursuant to the New term loan facilities and Revolving credit facility are secured by way of fixed and floating charges over all property and undertakings of the Group.

Loan notes – Cairngorm Capital Partners I and II LP

The Loan notes due to Cairngorm Capital Partners I and II LP totalling £33,274,695, including all interest to date, were acquired by fellow subsidiary Turbo Acquisitions 10 Midco Limited in September 2021 in exchange for Loan notes due to that company when the IBMG Topco group was acquired by Turbo Acquisitions 10 Topco Limited. These Loan notes are repayable in March 2025. Interest is payable at 15% and is compounded annually on 31 December with new Loan notes at the same interest rate being issued.

Loan notes A – Cairngorm Capital Partners III LP and Other

These Loan notes are repayable in May 2027. Interest is payable at 15% and is compounded annually on 30 June with new Loan notes at the same interest rate being issued.

Loan notes – Other

The balance due as at 31 December 2020 was repaid in February 2021. New Loan notes - Other were issued in February 2020 to the vendors of Rawle Gammon & Baker Holdings Limited when it was acquired by subsidiary company Grant & Stone Limited. These Loan notes are repayable in February 2028. Interest is payable at 7.5% and is compounded annually on 26 February with new Loan notes at the same interest rate being issued.

Borrowing costs

Fees incurred in negotiating certain of the above facilities have been capitalised and are shown separately deducted from the liabilities per the table above – the figures shown in notes 22 and 23 are shown net of unamortised fees. The fees are being amortised to the Statement of comprehensive income over the period of the relevant facility.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Loans (continued)

Loan notes listing

£35.1million Cairngorm Capital Partners III LP and Other Loan notes A plus an unlimited amount of payment in kind Loan notes to be issued in respect of compounded interest were admitted to the Official List of the International Stock Exchange on 9 September 2020.

£33.3million Cairngorm Capital Partners 1 and 11 LP Loan notes plus an unlimited amount of payment in kind Loan notes to be issued in respect of compounded interest were admitted to the Official List of the International Stock Exchange on 19 January 2022.

25. Hire purchase and finance leases

Finance lease and hire purchase contracts are in respect of transportation and warehousing equipment used within the Group's core operations.

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	1,594,009	97,336
Between 1-5 years	3,736,088	78,618
Over 5 years	36,256	-
	<u>5,366,353</u>	<u>175,954</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges over the relative assets.

26. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at amortised costs	<u>79,641,972</u>	<u>15,497,066</u>	<u>395,769</u>	<u>986,239</u>
Financial liabilities				
Financial liabilities measured at amortised costs	<u>(483,451,464)</u>	<u>(92,479,812)</u>	<u>(11,129,060)</u>	<u>(40,000)</u>

Financial assets represent trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities represent trade creditors, other creditors, accruals and deferred income, deferred consideration on acquisitions, all loan obligations (see note 24) and net obligations under finance lease and hire purchase contracts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

27. Deferred taxation

Group

	2021 £
At beginning of year	(146,246)
Credited to profit or loss	485,985
Arising on business combinations (see note 32)	103,016
At end of year	442,755

Company

	2021 £
At beginning of year	-
Charged to profit or loss	2,798
At end of year	2,798

The deferred tax asset/(liability) balance is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £
Accelerated capital allowances	(1,221,602)	(146,246)	-
Short term timing differences	728,306	-	-
Non trading timing differences	861,958	-	-
Losses	74,093	-	2,798
	442,755	(146,246)	2,798

The portion of Deferred tax asset expected to reverse within 1 year amounts to £136,875.

The Company has no deferred tax assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

28. Provisions

Group

	Dilapidation provisions £	Long leasehold property empty periods £	Total £
At 1 January 2021 (as restated)	267,144	-	267,144
Charged to profit or loss	196,891	-	196,891
Arising on business combinations (see note 32)	748,773	4,371	753,144
At 31 December 2021	1,212,808	4,371	1,217,179

Dilapidation provisions relate to wear and tear, damage repair and re-instatement obligations pursuant to property lease agreements.

29. Called up share capital

	2021 £	2020 £
Shares classified as equity		
Allotted, called up and fully paid		
Nil (2020: 900,000) Ordinary A shares of £Nil (2020: 0.01) each	-	9,000
443,118 (2020: Nil) Ordinary A1 shares of £0.01 (2020: £Nil) each	4,431	-
88,623 (2020: Nil) Ordinary A2 shares of £0.01 (2020: £Nil) each	886	-
900,000 (2020: Nil) Ordinary A3 shares of £0.01 (2020: £Nil) each	9,000	-
148,585 (2020: 120,900) Ordinary B shares of £0.01 (2020: £Nil) each	1,486	1,209
24,066 (2020: Nil) Ordinary C shares of £0.01 (2020: £Nil) each	241	-
	16,044	10,209

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

29. Called up share capital (continued)

In April 2021 the Company issued 15,429 B ordinary shares at £48.61 per share. £500,008 was received in cash.

In September 2021 the A ordinary shares were renamed A3 ordinary shares.

On the acquisition of 100% of the issued share capital of IBMG Topco Limited in September 2021, the Company issued 443,118 A1 ordinary shares, 88,623 A2 ordinary shares and 12,303 B ordinary shares at £187.75 per share in exchange for the vendors shares in the acquired company.

In December 2021 the Company issued 24,066 C ordinary shares at £2.08 per share. £25,028 was paid in cash.

A Ordinary and B Ordinary shares rank pari passu in respect of dividends, voting at general meetings and participating in returns of capital.

A Ordinary and B Ordinary shares participate equally in returns of capital whereas C Ordinary shares only participate when an entity value greater than £400 million is achieved per an underlying disposal transaction.

30. Reserves

Share premium account

The share premium account represents the excess consideration received in excess of par value on the issue of share capital, less any costs associated with the issuance of that share capital.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Group.

31. Analysis of net debt

	At 1 January 2021 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	8,110,620	9,840,252	-	17,950,872
Borrowings	(74,441,473)	-	(222,695,464)	(297,136,937)
Finance leases	(175,954)	-	(5,190,399)	(5,366,353)
	<u>(66,506,807)</u>	<u>9,840,252</u>	<u>(227,885,863)</u>	<u>(284,552,418)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

32. Business combinations

During the year the Group made a number of acquisitions as detailed in this note 32. In all cases the Group purchased 100% of the issued ordinary share capital of the business acquired.

All acquisitions were existing trading groups or companies operating in the RMI sector in the South of England and were acquired to complement the Group's existing business.

Goodwill arising from the acquisitions represents the value of the acquired customer base and the economics of scale which are expected to flow from combining the operations acquired with those of the Group.

Acquisition of CRS Building Supplies Limited - 15 January 2021

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	2,862,881	-	2,862,881
Investments	2,300	-	2,300
	<hr/> 2,865,181	<hr/> -	<hr/> 2,865,181
Current Assets			
Stocks	6,162,886	-	6,162,886
Debtors	4,251,072	-	4,251,072
Other debtors and prepayments	450,884	450,000	900,884
Cash at bank and in hand	4,087,549	-	4,087,549
	<hr/> 17,817,572	<hr/> 450,000	<hr/> 18,267,572
Liabilities			
Trade creditors	(4,316,114)	-	(4,316,114)
Taxation	(1,435,712)	-	(1,435,712)
Hire purchase contracts	(1,348,049)	-	(1,348,049)
Other creditors and accruals	(209,183)	(179,727)	(388,910)
Deferred tax > 1 year	(324,857)	-	(324,857)
Provisions > 1 year	(591,813)	490,454	(101,359)
	<hr/> 9,591,844	<hr/> 760,727	<hr/> 10,352,571
Total identifiable net assets			
Goodwill			19,821,807
Total purchase consideration			<hr/> <hr/> 30,174,378

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

32. Business combinations (continued)

Consideration

	£
Cash	21,857,983
Additional consideration	8,000,000
Directly attributable costs	316,395
Total purchase consideration	30,174,378

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	21,857,983
Directly attributable costs	316,395
Less: Cash and cash equivalents acquired	(4,087,549)
Net cash outflow on acquisition	18,086,829

The results of CRS Building Supplies Limited since acquisition are as follows:

	£
Turnover	52,917,488
Profit for the period since acquisition	4,640,064

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Acquisition of Rawle Gammon and Baker Holdings Limited - 26 February 2021

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	4,014,520	-	4,014,520
Intangible	197,825	-	197,825
	<u>4,212,345</u>	<u>-</u>	<u>4,212,345</u>
Current Assets			
Stocks	8,261,286	-	8,261,286
Debtors	10,935,788	-	10,935,788
Other debtors and prepayments	1,218,415	553,214	1,771,629
Cash at bank and in hand	2,368,265	-	2,368,265
	<u>26,996,099</u>	<u>553,214</u>	<u>27,549,313</u>
Liabilities			
Trade creditors	(5,980,532)	-	(5,980,532)
Taxation	(2,059,439)	(654,180)	(2,713,619)
Other creditors and accruals	(2,049,096)	100,966	(1,948,130)
Deferred tax > 1 year	222,194	-	222,194
Dilapidations	-	(70,255)	(70,255)
	<u>17,129,226</u>	<u>(70,255)</u>	<u>17,058,971</u>
Total identifiable net assets			
Goodwill			20,139,216
Total purchase consideration			<u>37,198,187</u>
Consideration			
			£
Cash			30,818,575
Deferred consideration			6,000,000
Directly attributable costs			379,612
Total purchase consideration			<u>37,198,187</u>

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	30,818,575
Directly attributable costs	379,612
Less: Cash and cash equivalents acquired	(2,368,265)
Net cash outflow on acquisition	28,829,922

The results of Rawle Gammon and Baker Holdings Limited since acquisition are as follows:

	£
Turnover	69,013,171
<i>Profit for the period since acquisition</i>	<i>4,316,514</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Acquisition of Buildit Gloster Limited - 26 February 2021

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	400,351	-	400,351
Investments	1,300	-	1,300
	<u>401,651</u>	<u>-</u>	<u>401,651</u>
Current Assets			
Stocks	1,188,662	(169,355)	1,019,307
Debtors	1,302,608	-	1,302,608
Other debtors and prepayments	638,047	-	638,047
Cash at bank and in hand	4,363,875	-	4,363,875
Total Assets	<u>7,894,843</u>	<u>(169,355)</u>	<u>7,725,488</u>
Liabilities			
Trade creditors	(999,945)	-	(999,945)
Taxation	(250,815)	-	(250,815)
Hire purchase contracts	(340,315)	-	(340,315)
Other creditors and accruals	(25,771)	-	(25,771)
Deferred tax > 1 year	(42,810)	-	(42,810)
Dilapidations	-	(19,926)	(19,926)
Total identifiable net assets	<u>6,235,187</u>	<u>(189,281)</u>	<u>6,045,906</u>
Goodwill			<u>7,787,578</u>
Total purchase consideration			<u><u>13,833,484</u></u>
Consideration			
			£
Cash			10,675,269
Deferred consideration			3,000,000
Directly attributable costs			158,215
Total purchase consideration			<u><u>13,833,484</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

32. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	10,675,269
Directly attributable costs	158,215
Less: Cash and cash equivalents acquired	(4,363,875)
Net cash outflow on acquisition	<u>6,469,609</u>

The results of Buildit Gloster Limited since acquisition are as follows:

	£
Turnover	13,170,397
Profit for the period since acquisition	<u>1,633,987</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Acquisition of Total Plumbing Supplies Limited - 26 February 2021

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	404,764	-	404,764
Investments	100	-	100
	<u>404,864</u>	<u>-</u>	<u>404,864</u>
Current Assets			
Stocks	1,365,288	(145,040)	1,220,248
Debtors	1,121,798	-	1,121,798
Other debtors and prepayments	758,527	-	758,527
Cash at bank and in hand	2,230,215	-	2,230,215
	<u>5,880,692</u>	<u>(145,040)</u>	<u>5,735,652</u>
Total Assets			
Liabilities			
Trade creditors	(1,778,867)	(105,518)	(1,884,385)
Taxation	(492,317)	-	(492,317)
Other creditors and accruals	(39,749)	-	(39,749)
Deferred tax > 1 year	(33,376)	-	(33,376)
Dilapidations	-	(11,457)	(11,457)
	<u>3,536,383</u>	<u>(262,015)</u>	<u>3,274,368</u>
Total identifiable net assets			
Goodwill			4,596,028
Total purchase consideration			<u>7,870,396</u>
Consideration			
			£
Cash			7,067,008
Deferred consideration			700,000
Directly attributable costs			103,388
Total purchase consideration			<u>7,870,396</u>

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	7,067,008
Directly attributable costs	103,388
Less: Cash and cash equivalents acquired	(2,230,215)
Net cash outflow on acquisition	4,940,181

The results of Total Plumbing Supplies Limited since acquisition are as follows:

	£
Turnover	11,531,450
Profit for the period since acquisition	414,255

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Acquisition of Devondale Holdings Limited - 28 May 2021

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	244,608	-	244,608
	<u>244,608</u>	<u>-</u>	<u>244,608</u>
Current Assets			
Stocks	1,255,164	(105,826)	1,149,338
Debtors	3,333,868	(1,678,262)	1,655,606
Other debtors and prepayments	585,915	457,151	1,043,066
Cash at bank and in hand	198,455	-	198,455
	<u>5,618,010</u>	<u>(1,326,937)</u>	<u>4,291,073</u>
Total Assets			
Liabilities			
Trade creditors	(2,396,155)	-	(2,396,155)
Taxation	(575,934)	203,518	(372,416)
Hire purchase contracts	(115,750)	-	(115,750)
Other creditors and accruals	(322,297)	(40,030)	(362,327)
Intercompany	(565,650)	-	(565,650)
Deferred tax > 1 year	(26,000)	-	(26,000)
Provisions > 1 year	(20,000)	(102,277)	(122,277)
	<u>1,596,224</u>	<u>(1,265,726)</u>	<u>330,498</u>
Total identifiable net assets			
Goodwill			4,881,526
			<u>5,212,024</u>
Total purchase consideration			
Consideration			
			£
Cash			3,824,300
Cash - Completion Accounts			383,223
Deferred consideration			800,000
Directly attributable costs			204,501
			<u>5,212,024</u>
Total purchase consideration			

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above, including completion accounts	4,207,523
Directly attributable costs	204,501
Loans settled by Grant and Stone Limited	565,650
Less: Cash and cash equivalents acquired	(198,455)
Net cash outflow on acquisition	4,779,219

The results of Devondale Holdings Limited since acquisition are as follows:

	£
Turnover	7,693,808
Profit for the period since acquisition	623,506

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Acquisition of IBMG Topco Limited - 17 September 2021

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	9,765,481	-	9,765,481
Intangible	47,351,799	-	47,351,799
	<hr/>	<hr/>	<hr/>
	57,117,280	-	57,117,280
Current Assets			
Stocks	30,112,421	(2,763,244)	27,349,177
Debtors	41,907,006	-	41,907,006
Other debtors and prepayments	7,443,223	-	7,443,223
Cash at bank and in hand	2,742,952	-	2,742,952
Deferred tax > 1 year	464,664	-	464,664
	<hr/>	<hr/>	<hr/>
Total Assets	139,787,546	(2,763,244)	137,024,302
Liabilities			
Trade creditors	(41,142,917)	-	(41,142,917)
Taxation	(3,428,175)	-	(3,428,175)
Borrowings	(96,334,084)	-	(96,334,084)
Hire purchase contracts	(2,752,272)	-	(2,752,272)
Other creditors and accruals	(9,312,089)	-	(9,312,089)
Provisions > 1 year	(619,025)	244,516	(374,509)
	<hr/>	<hr/>	<hr/>
Total Identifiable net assets	(13,801,016)	(2,518,728)	(16,319,744)
Goodwill			130,904,612
			<hr/>
Total purchase consideration			114,584,868
			<hr/>

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Consideration

	£
Cash excluding stamp duty	11,781,826
Debtor - P Barry	59,000
Issue of new A1, A2 and B Ordinary Shares	102,144,167
Directly attributable costs including stamp duty	599,875
Total purchase consideration	114,584,868

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	11,781,826
Debtor - P Barry	59,000
Directly attributable costs	599,875
Less: Cash and cash equivalents acquired	(2,742,952)
Net cash outflow on acquisition	9,697,749

The results of IBMG Topco Limited since acquisition are as follows:

	£
Turnover	49,161,079
Loss for the period since acquisition	(1,572,748)

TURBO ACQUISITIONS 10 TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

32. Business combinations (continued)

Acquisition of D.W. Burns & Partner Limited - 15 October 2021

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	18,293	-	18,293
	<u>18,293</u>	<u>-</u>	<u>18,293</u>
Current Assets			
Stocks	257,515	(39,966)	217,549
Debtors	484,106	-	484,106
Other debtors and prepayments	125,055	-	125,055
Cash at bank and in hand	260,947	-	260,947
Total Assets	<u>1,145,916</u>	<u>(39,966)</u>	<u>1,105,950</u>
Liabilities			
Trade creditors	(471,745)	-	(471,745)
Taxation	(142,209)	-	(142,209)
Other creditors and accruals	(113,427)	-	(113,427)
Deferred tax > 1 year	(7,932)	-	(7,932)
Total identifiable net assets	<u>410,603</u>	<u>(39,966)</u>	<u>370,637</u>
Goodwill			951,616
Total purchase consideration			<u><u>1,322,253</u></u>
Consideration			
			£
Cash			759,181
Deferred consideration			450,000
Directly attributable costs			113,072
Total purchase consideration			<u><u>1,322,253</u></u>

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	759,181
Directly attributable costs	113,072
Less: Cash and cash equivalents acquired	(260,947)
Net cash outflow on acquisition	611,306

The results of D.W. Burns & Partner Limited since acquisition are as follows:

	£
Turnover	624,818
Profit for the period since acquisition	20,410

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Acquisition of Vinall Holdings Limited - 21 October 2021

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	900,588	-	900,588
	<u>900,588</u>	<u>-</u>	<u>900,588</u>
Current Assets			
Stocks	2,792,353	(456,826)	2,335,527
Debtors	2,496,446	-	2,496,446
Other debtors and prepayments	183,086	300,000	483,086
Cash at bank and in hand	649,203	-	649,203
Total Assets	<u>7,021,676</u>	<u>(156,826)</u>	<u>6,864,850</u>
Liabilities			
Trade creditors	(1,692,979)	-	(1,692,979)
Intercompany indebtedness	(282,512)	-	(282,512)
Taxation	(592,831)	-	(592,831)
Hire purchase contracts	(9,309)	-	(9,309)
Other creditors and accruals	19,483	(92,000)	(72,517)
Deferred tax > 1 year	(170,994)	-	(170,994)
Provisions for liabilities	-	(53,362)	(53,362)
Total Identifiable net assets	<u>4,292,534</u>	<u>(302,188)</u>	<u>3,990,346</u>
Goodwill			<u>11,174,326</u>
Total purchase consideration			<u><u>15,164,672</u></u>

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Consideration

	£
Cash	12,426,922
Deferred consideration	2,500,000
Directly attributable costs	237,750
Total purchase consideration	15,164,672

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	12,426,922
Directly attributable costs	237,750
Loans settled by Grant and Stone Limited	282,512
Less: Cash and cash equivalents acquired	(649,203)
Net cash outflow on acquisition	12,297,981

The results of Vinall Holdings Limited since acquisition are as follows:

	£
Turnover	3,546,746
Profit for the period since acquisition	393,407

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

32. Business combinations (continued)

Acquisition of Perrys Builders Merchants Limited - 26 October 2021

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Current Assets			
Stocks	122,940	-	122,940
Debtors	33,708	-	33,708
Other debtors and prepayments	17,516	-	17,516
Cash at bank and in hand	52,054	-	52,054
Total Assets	226,218	-	226,218
Liabilities			
Trade creditors	(65,352)	-	(65,352)
Intercompany indebtedness	(54,577)	24,096	(30,481)
Taxation	(5,108)	-	(5,108)
Other creditors and accruals	(8,336)	-	(8,336)
Total identifiable net assets	92,845	24,096	116,941
Goodwill			396,990
Total purchase consideration			513,931
Consideration			
			£
Cash			271,191
Deferred consideration			200,000
Directly attributable costs			42,740
Total purchase consideration			513,931

TURBO ACQUISITIONS 10 TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

32. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	271,191
Directly attributable costs	42,740
Less: Cash and cash equivalents acquired	(52,054)
Net cash outflow on acquisition	261,877

The results of Perrys Builders Merchants Limited since acquisition are as follows:

	£
Turnover	108,772
Profit for the period since acquisition	106,571

33. 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 £1,667,073 (2020: £219,619).

Contributions totalling £284,399 (2020: £64,812) were payable to the fund at the balance sheet date and are included in creditors.

34. Commitments under operating leases

At 31 December the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	12,755,864	2,779,429
Later than 1 year and not later than 5 years	41,419,222	7,844,116
Later than 5 years	75,576,889	8,387,449
	129,751,975	19,010,994

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

35. Related parties

Company

The Company has taken advantage of exemption under Financial Reporting Standard 102, 'The Financial Standard in the UK and Republic of Ireland ', not to disclose related party transactions with wholly owned subsidiary companies within the Group.

Group

Interest payable to Cairngorm Capital Partners I, II and III LP is disclosed in Note 13 of these financial statements.

Management fees payable to Cairngorm Capital Partners LLP amounted to £130,790 (9 month period ended 31 December 2020: £40,000).

Key Management Personnel

Key management of the Group are the directors of the Company who served during the year/period and their remuneration is disclosed in Note 10 of these financial statements.

36. Post balance sheet events

On 6 January 2022, the Group acquired the entire issued share capital of Dougfield Plumbers Supplies Limited.

On 7 February 2022, the Group acquired the entire issued share capital of Pennyhill Timber Limited.

On 1 March 2022, the Group acquired the entire issued share capital of Cornish Fixings Limited.

On 5 April 2022, the Group acquired the entire issued share capital of Hoppings Softwood Products Limited.

On 3 May 2022, the Group acquired the entire issued share capital of Merkko Group Limited.

On 31 May 2022, the Group acquired the entire issued share capital of Wantage Builders Merchants Limited.

On 31 May 2022, the Group acquired the entire issued share capital of Independent Roofing Supplies Limited.

37. Ultimate parent undertaking and controlling party

The ultimate controlling party is Cairngorm Capital Partners III LP, a fund advised by Cairngorm Capital Partners LLP.