Registered number: 12717414

ENSCO 1375 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Ensco 1375 Limited

Company information

Year Ended 31 March 2023

Company registration number	12717414
Directors	S J Andrews A D Bradshaw T A Bownes (appointed 20 July 2022) R O S Godwin (appointed 27 June 2023) C E Hardingham (appointed 1 November 2022) P A Hinson (resigned 21 June 2023) J M Hornby A Livingstone C P V Martin (appointed 2 February 2023) N C Moore M W Smith R P Whitwell (resigned 20 July 2022)
Secretary	A Livingstone
Registered office	Westgate House 9 Holborn London EC1N 2LL
Independent auditor	Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Solicitors	Gateley Legal One Eleven Edmund Street Birmingham B3 2HJ
Bankers	HSBC UK Bank Plc Level 6, 71 Queen Victoria Street London EC4V 4AY

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Ensco 1375 Limited

Strategic Report

Year Ended 31 March 2023

The directors present their Group strategic report together with the audited consolidated financial statements for the year ended 31 March 2023.

Review of the business

The financial year ending 31 March 2023 was a year of significant development for the Ensco 1375 Limited Group of companies.

Like-for-like turnover in the Group's principal trading subsidiary, Ross Trustees Services Limited, increased by 19% on the prior year, from £12,500,973 to £14,816,546. A total of 28 new pension schemes were welcomed to the Ross portfolio, representing a 20% increase in the opening scheme portfolio, and reflecting continuing strong demand for professional pension trustee and governance services in the Group's UK market.

The strong organic growth described above was supplemented by three corporate acquisitions during the year. One of these, the acquisition of Independent Governance Group Limited and its subsidiaries, which took place on the 2 February 2023, represents a significant coming together of two well-recognised brands within the Group's UK market.

The newly enlarged business subsequently adopted a new brand, the "Independent Governance Group", or "IGG", and with over 400 appointments and a combined value of over £340bn of assets under governance, IGG instantly became one of the UK's leading professional pensions and trusteeship and governance services firms. Significant cost synergies, in property costs and insurance costs, have been realized In the post-balance sheet period and an accelerated investment in growing the workforce is underway to meet the continuing high levels of demand for the Group's services, as well as a focused effort to increase the breadth and depth of services delivered to both sets of clients.

The other two acquisitions, that of Clark Benefit Consulting Limited on 10 August 2022 and Clarity Trustees Limited on 15 February 2023, were smaller transactions but each brought additional clients and know-how to the Group. Further details on the three acquisitions can be found in Note 25 Business Combinations.

As at 31 March 2023, and following the three acquisitions described above, the Group had 126 employees, of which 90 were fee-earning colleagues, more than doubling the workforce compared to prior year equivalent numbers of 61 and 43 respectively. The Group's employee numbers are expected to grow significantly again in the forthcoming year, both as a result of further acquisitions (see below) but also because of the increased investment in growing the workforce that is described above.

In the post-balance sheet period, on 23 May 2023, the Group made another acquisition, that of Like Minds (UK) Limited, a creative communications agency specialising in employee engagement, specifically in relation to pensions and benefits. Further details of this acquisition can be found at Note 24.

During the year the Group incurred £774,857 (2022: £nil) of exceptional costs, further details of which can be found at Note 4.

Operating Profit (before exceptional items and amortisation of acquisition goodwill) increased by 24.4% from £4,556,000 to £5,668,206, however the Group's operating profit margin decreased slightly from 36.4% in the financial year ending 31 March 2022, to 34.6% in the financial year ending 31 March 2023, primarily reflecting increased investment in the client-facing workforce, returns on which will be seen in forthcoming periods.

	31 March 2023	**31 March 2022**
Operating Profit before exceptional items and amortisation of acquisition goodwill	£5,668,206	£4,556,000
Revenue	£16,403,744	£12,500,973
Operating Profit Margin	34.6%	36.4%

Conversion of operating profits to operating cashflow continues to be strong, with net cash generated from operations amounting to £3,326,236 (2022: £3,930,370). Operating profit reported in the profit and loss account includes £3,873,325 (2022: £3,335,878) of goodwill amortisation, a non-cash item. Interest expenses of £5,011,217 (2022: £4,214,765) include £4,124,633 (2022: £3,625,896) of shareholder loan note interest which under current arrangements is payable upon repayment of the principal, scheduled for 2028 or the date of sale or listing of the Company if earlier. Notwithstanding this arrangement, in November 2022 the Company's cash position was such that the board was able to exercise its discretion to pay 75% of accrued but unpaid shareholder loan note interest to holders of A and B Loan Notes, amounting to £5,119,622. Further details can be found in Note 22.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are the ability to grow fee-earner numbers and to attract new clients to jointly meet the ambitious growth expectations of the Group's shareholders. The directors are pleased with the management of these key risks by the executive team in the year to 31 March 2023 and also in the post balance sheet period.

The Group is also exposed to a variety of financial risks including interest rate risk, capital risk and liquidity risk. The directors monitor these risks to manage any associated volatility in the Group's financial performance.

(a) Interest rate risk

The Group has interest-bearing liabilities in the form of long-term bank borrowings that attract interest rate at a variable rate of up to 4.5% above SONIA. Further details of these borrowings are available at Note 17.

(b) Capital risk

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimum capital structure to reduce the cost of capital. The board keeps the capital structure under review via a long-term financial model which is updated monthly and which provides the board with an assessment of the Company's capital adequacy for the period under review.

(c) Liquidity risk

The Group maintains sufficient cash to enable it to meet its operational requirements. Operating cash flows are actively monitored and managed via 90-day forecasts of daily receipts and payments, and via monthly and annual cash flow forecasts that are updated monthly and which are subject to board review via ongoing business planning processes.

Financial key performance indicators

The directors have established a range of key performance indicators to measure and monitor the performance of the Company. The principal KPIs include utilisation rates, chargeable hours, revenue per fee-earner, and client portfolio analysis showing additions and losses in the reporting period. The KPIs are used to manage resourcing levels and to help direct sales and marketing activity. These measures have not been disclosed due to their commercial sensitivity. Other measures including financial performance are available in the financial statements.

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

A. Livingstone

A Livingstone
Director

Date: 1/11/23

Ensco 1375 Limited

Directors' Report

Year Ended 31 March 2023

The directors present their report and the audited financial statements for the year ended 31 March 2023.

Directors of the Company

The directors who served during the year are disclosed on the Company Information page of this report.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Evaluation of going concern

The Group's business activities, together with likely factors likely to impact its future development, performance and position are set out in the Review of the Business section of the Strategic Report on page 4. In addition, note 17 to the financial statements disclose the Group and the Company's debt structure. At 31 March 2023 the Company had £20.46 million of borrowings from a bank with variable interest rates. £6.16m of this bank date is repayable in quarterly instalments over four years, and £14.3 million is repayable in full on termination of the bank loan in November 2027. Interest on the bank loans is payable quarterly. The Company also has shareholder loan notes with fixed interest rates amounting to £43.66 million. No interest is being paid on the shareholder loan notes, unless at the discretion of the Company's board of directors, and any unpaid interest is accrued as an additional liability on the balance sheet, to be paid upon repayment of the principal. The shareholder loan notes fall due for repayment in 2028 or (if earlier) upon the date of sale or listing of the Company.

The Group has service arrangements with its customers which are delivered on a recurring annual basis. Furthermore, the Group generated £3.3 million of cash from its operations in the financial year ending 31 March 2023. As part of ongoing business planning processes, the directors regularly review detailed rolling financial forecasts of monthly profit and loss, balance sheet and cashflow statements. These rolling forecasts include sensitivity analysis on the potential impact of higher-than-expected costs and/or lower-than-expected revenues.

Based on these financial forecasts, the directors have a reasonable expectation that the Company has adequate cash resources to continue to operate for the foreseeable future. Thus, the going concern basis of accounting has continued to be to be adopted in preparing these financial statements.

Results and dividends

The loss for the year, after taxation, amounted to £4,635,892 (2022: loss £3,668,909).

Ensco 1375 Limited

Directors' Report

Year Ended 31 March 2023

The directors do not recommend payment of a dividend.

Disclosure of information to the auditors

We, the directors of the Company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

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

A. Livingstone

A Livingstone
Director

Date: 1/11/23

Ensco 1375 Limited

Independent Auditor's Report to the Members of Ensco 1375 Limited

Year Ended 31 March 2023

Opinion

We have audited the financial statements of Ensco 1375 Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the consolidated profit and loss account, the consolidated and Company balance sheets, the consolidated statement of cash flows, the consolidated and Company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Ensco 1375 Limited

Independent Auditor's Report to the Members of Ensco 1375 Limited

Year Ended 31 March 2023

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Ensco 1375 Limited

Independent Auditor's Report to the Members of Ensco 1375 Limited

Year Ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements

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

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included but was not limited to the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and walkthrough tests of key systems;
- designing our audit procedures to respond to our risk assessment; and
- making enquires of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we conducted the following procedures:

- tested journal entries to identify any non-routine or unusual transactions outside the course of ordinary business;
- assessed whether judgements and assumptions made in determining any accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions;
- reviewed descriptions of certain nominal codes for indication of any management override; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreed financial statement disclosures to underlying supporting documentation;
- reviewed the minutes of meetings of those charged with governance;
- enquired with management as to actual and potential litigation and claims;
- *reviewed correspondence in relation to actual litigation, claims or regulatory inspections.*

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

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

Emre Saka (senior statutory auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington Derby
DE74 2SA

Date: 1 November 2023

Ensco 1375 Limited

Consolidated Profit and Loss Account

Year Ended 31 March 2023

	Note	2023 £	2022 £
Turnover	3	16,403,744	12,500,973
Cost of Sales		(6,803,774)	(4,505,454)
Gross profit		9,599,970	7,995,519
Administrative expenses		(3,931,764)	(3,439,519)
Operating profit before exceptional items and amortisation of acquisition goodwill		5,668,206	4,556,000
Exceptional Items	4	(771,857)	-
Amortisation of acquisition goodwill		(3,873,325)	(3,335,878)
Operating profit		1,020,024	1,220,122
Interest receivable and similar income		2,902	74
Interest payable and similar expenses		(5,011,217)	(4,214,765)
Loss before taxation		(3,988,291)	(2,994,569)
Taxation on loss		(647,601)	(674,340)
Loss for the financial year		(4,635,892)	(3,668,909)

All the items in the above statement are from continuing operations. There were no discontinued operations during the year.

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated profit and loss account.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent Company profit and loss account. The profit after tax of the parent Company for the year was £74,706 (2022: loss after tax of £4,283,151).

The notes on pages 18 to 35 form part of these financial statements.

Ensco 1375 Limited

Consolidated Balance Sheet

Year Ended 31 March 2023

	Note		2023 £		2022 £
Fixed assets					
Intangible assets	11	56,098,041		28,658,941	
Tangible assets	12	214,058		108,899	
			56,312,099		28,767,840
Current assets					
Debtors	14	5,870,259		2,772,584	
Cash at bank and in hand		5,275,124		5,959,671	
		11,145,383		8,732,255	
Creditors: amounts falling due within one year	15	(6,212,418)		(3,242,316)	
Net current assets			4,932,965		5,489,939
Creditors: amounts falling due after more than one year	16		(65,550,303)		(38,887,599)
Provisions for liabilities					
Deferred taxation	10	-		(18,742)	
			-		(18,742)
Net liabilities			(4,305,239)		(4,648,562)
Capital and reserves					
Called up share capital	18		65,255		52,300
Share premium account	19		5,257,834		291,573
Profit and loss account	19		(9,628,328)		(4,992,435)
Shareholders' deficit			(4,305,239)		(4,648,562)

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

A Livingstone
Director Date: 1/11/23

The notes on pages 18 to 35 form part of these financial statements.

Company registration number: 12717414

Ensco 1375 Limited

Company Balance Sheet

Year Ended 31 March 2023

	Note		2023 £		2022 £
Fixed assets					
Investments	13		65,706,706		36,238,045
Current assets					
Debtors	14	3,738,039		78,168	
Cash at bank and in hand		1,114,272		51,622	
		4,852,311		129,790	
Creditors: amounts falling due within one year	15	(3,812,488)		(1,312,293)	
Net current liabilities			1,039.823		(1,182,503)
Creditors: amounts falling due after more than one year	16		(65,550,303)		(38,887,599)
Net assets/(liabilities)			1,196,226		(3,832,057)
Capital and reserves					
Called up share capital	18		65,255		52,300
Share premium account	19		5,257,834		291,573
Profit and loss account carried forward			(4,126,863)		(4,175,930)
Shareholders' deficit			1,196,226		(3,832,057)

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

A Livingstone
Director

Date: 1\11\23

The notes on pages 18 to 35 form part of these financial statements.

Company registration number: 12717414

Ensco 1375 Limited

Consolidated Statement of Changes in Equity

Year Ended 31 March 2023

	Called up share capital	Share *premium* account	*Profit and* loss account	Total equity
	£	£	£	£
At 1 April 2021	52,300	291,573	(1,323,527)	(979,654)
Loss for the year	-	-	(3,668,909)	(3,668,909)
At 31 March 2022 and 1 April 2022	52,300	291,573	(4,992,436)	(4,648,563)
Loss for the year	-	-	(4,635,892)	(4,635,892)
Share capital issued	12,955	4,966,261	-	4,979,216
At 31 March 2023	65,255	5,257,834	(9,628,328)	(4,305,239)

The notes on pages 18 to 35 form part of these financial statements.

Ensco 1375 Limited

Company Statement of Changes in Equity

Year Ended 31 March 2023

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	52,300	291,573	220,992	564,865
Loss for the year	-	-	(4,396,922)	(4,396,922)
At 31 March 2022 and 1 April 2022	52,300	291,573	(4,175,930)	(3,832,057)
Profit for the year	-	-	49,067	49,067
Share capital issued	12,955	4,996,261	-	4,979,216
At 31 March 2023	65,255	5,257,834	(4,126,863)	1,196,226

The notes on pages 18 to 35 form part of these financial statements.

Ensco 1375 Limited

Consolidated Statement of Cash Flows

Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flow from operating activities before exceptional items	20	3,326,236	3,930,370
Exceptional items	4	(774,857)	-
Cash flow from operating activities after exceptional items		2,551,379	3,930,370
Cash flow from investing activities			
Payments to acquire intangible fixed assets		(100,950)	(31,220)
Payments to acquire tangible fixed assets		(124,093)	(108,437)
Purchase of subsidiaries		(21,968,441)	-
Net cash acquired with subsidiary		1,201,922	-
Interest received		2,902	74
Net cash flow from investing activities		(20,988,660)	(139,583)
Cash flow from financing activities			
Receipts from issue of shares		104,325	-
Receipts from new bank loans		14,000,000	-
Receipts from issue of new loan notes		12,902,895	4,908
Repayment of bank loans		(3,240,468)	(560,000)
Repayment of loan notes		(6,057)	-
Interest paid		(6,007,493)	(336,521)
Net cash flow from financing activities		17,753,202	(891,613)
Net (decrease)/ increase in cash and cash equivalents		(684,079)	2,899,174
Cash and cash equivalents at beginning of year		5,959,203	3,060,029
Cash and cash equivalents at the end of year		5,275,124	5,959,203
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		5,275,124	5,959,671
Bank overdrafts		-	(468)
		5,275,124	5,959,203

Actual consideration for the acquired businesses was £29,468,441. The acquisition of Independent Governance Group was funded via £19,709,638 cash paid to the owners of the acquired business, £2,625,108 of loan notes and £4,874,892 shares issued and given to the owners of the acquired business. Also included within the purchase of subsidiaries is £151,153 and £194,375 contingent consideration for Clark Benefit Consulting Limited and Clarity Trustees Limited respectively

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1.12(b) of FRS 102 not to present the Company statement of cash flows

The notes on pages 18 to 35 form part of these financial statements.

1. Summary of significant accounting policies

(a) General information and basis of preparation of financial statements

Ensco 1375 Limited (the "Company") and its subsidiary undertakings (the "Group") are limited liability companies incorporated and domiciled in the United Kingdom. The address of the registered office is given in the Company Information page of these financial statements. The nature of the Company's operations and principal activities are the provision of professional pensions trusteeship and governance services for occupational pension schemes

The financial statements are prepared in sterling (£), which is the functional currency of the Group. The financial statements are for the year ended 31 March 2023 (2022: 31 March 2022).

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries as if they form a single entity. InterCompany transactions and balances between Group companies are therefore eliminated in full.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

(c) Going concern

An evaluation of going concern is contained within the Directors' Report.

(d) Business combinations and goodwill

The consolidated financial statements incorporate the results of business combinations using the purchase method. The results of acquired entities are included in the Consolidated Profit and Loss Account from the date on which control is obtained. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

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

Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the Profit and Loss Account.

(e) Intangible assets

Intangible assets acquired separately from a business are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised on a straight-line basis over their useful lives, as follows:

Computer software	3 years

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Office equipment	3 years
Fixtures and fittings	4 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the profit and loss account.

At each balance sheet date, the Company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 the 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. Impairment loss is recognised as an expense immediately.

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

(h) Investments

Investments in subsidiaries are recognised initially at fair value which is normally the transactionprice excluding transaction costs. Subsequently, they are measured at fair value through profit or lossif the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment. If an impairment loss is identified, this is recognised immediately in the profitand loss account and the value of the investment is reduced accordingly.

(i) Cash and Cash Equivalents

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

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

(j) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(l) Provisions

Provisions are recognised when the Company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(l) Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(m) Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

(n) Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The policies adopted for the recognition of turnover are as follows:

Rendering of services

Turnover is recognised when the right to income has been earned and when services are completed. Any turnover which has not been invoiced but the right to income has been earned is included in turnover and debtors. Any turnover that has been invoiced in advance of the right to being recognised is deferred and included within creditors.

Interest and dividends receivable

Interest income is recognised using the effective interest method and dividend income is recognised as the Company's right to receive payment is established.

(o) Employee benefits

When employees have rendered service to the Company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Company operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable. Once the contributions have been paid, the Group has no further payment obligations. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(p) Finance costs

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

(q) 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.

(r) Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and other third parties and loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequentlymeasured at amortised cost.

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

(s) Operating leases

Rentals paid under operating leases are charged to the profit and loss account on astraight line basis over the period of the lease.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of non-current assets

The directors assess the impairment of tangible and intangible fixed assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

1) Significant under performance relative to historical or projected future operating results;

2) Significant changes in the use of the acquired assets or the business strategy; and

3) Significant negative industry or economic trends

3. Turnover

The analysis of turnover by activity and geographical area is as follows:

	2023 £	2022 £
Revenue from professional pension trustee and governance services	16,403,744	12,500,973

	2023 £	2022 £
United Kingdom	16,388,390	12,488,973
Ireland	15,354	12,000
	16,403,744	12,500,973

4. *Exceptional items*

	2023 £	2022 £
Restructuring, reorganisation and other non-recurring costs	774,857	-

Restructuring, reorganisation and other non-recurring costs comprise costs incurred in integrating the three corporate acquisitions that are described in Note 25 (£338,675), costs incurred in organisational restructures (£177,362), and other non-recurring legal and payroll costs (£258,820).

5. Loss before taxation

Loss before taxation is stated after charging / (crediting):

	2023 £	2022 £
Auditor's remuneration (including expenses and benefits in kind)	61,700	34,000
Depreciation of tangible fixed assets	54,949	34,639
Amortisation of goodwill	3,873,325	3,335,878
Amortisation of other intangible assets (included within administrative expenses)	16,236	8,842
Operating lease rentals	442,789	201,327
	4,448,999	3,614,686

6. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts, including subsidiary accounts	61,700	34,000
Fees payable to the Company's auditor for other services:		
Other assurance	48,205	15,500
Other non-audit services	33,565	2,000
Total amount payable to the Company's auditor	143,470	51,500

7. *Directors' remuneration*

	2023 £	2022 £
Directors' emoluments	1,696,568	1,502,806
Contributions to money purchase pension plan	47,889	44,000
	1,744,457	1,546,806

During the year, 4 directors (2022 – 3) were accruing benefits under pension plans by which money purchase benefits will be calculated.

During the year, one director (2022 – 0) exercised share options held over 12,500 C Shares. See Note 26 for further details.

The emoluments of the highest paid director included above was:

	2023 £	2022 £
Aggregated emoluments (excluding pension contributions)	461,233	480,806
Contributions to money purchase pension plan	-	-
	461,233	480,806

The highest paid director did not exercise any share options.

8. Staff costs

The average monthly number of persons (including executive directors) employed by the Group during the year was as follows:

	2023	2022
Administrative and central functions	23	19
Fee-earning services	52	38
	75	57

The Company had officers but no people employed in the period. All remuneration was borne by subsidiary companies.

The aggregate remuneration of such employees was as follows:

	2023	2022
	£	£
Wages and salaries	7,426,283	5,502,453
Social security	921,859	694,738
Pension contributions	251,956	150,346
	8,600,098	6,347,537

9. Interest and other finance income and expenses

a) Interest receivable and similar income

	2023	2022
	£	£
Bank interest receivable	2,902	74
	2,902	74

b) Interest payable and similar expenses

	2023	2022
	£	£
Bank loans and overdrafts	629,986	350,378
Other loans	4,124,633	3,625,896
Amortisation of loan issue and banking costs	256,598	238,491
	5,011,217	4,214,765

10. Tax

a) *Tax on loss*

	2023	2022
	£	£
Current tax charge:		
Current year tax charge	661,688	691,020
Prior year adjustment	(58,130)	7,436
Total current tax charge	603,558	698,456
Deferred tax charge:		
Current year deferred tax charge	10,487	(24,116)
Prior year adjustment	33,556	-
Total deferred tax charge	44,043	(24,116)
Tax on loss (note 10 (b))	647,601	674,340

8 Tax (continued)

b) Reconciliation of tax charge

The difference between the tax on loss (note 10(a) above) and the loss before tax multiplied by the applicable rate of corporation tax in the UK is reconciled below:

	2023 £	2022 £
Loss before tax	(3,988,291)	(2,994,569)
Profit multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(757,775)	(568,968)
Effects of:		
Fixed Asset Differences	727,093	633,817
Expenses not deductible for tax purposes	699,757	613,400
Depreciation in excess of capital allowances	600	-
Capital allowances super-deduction – permanent differences	-	(6,181)
Remeasurement of deferred tax for changes in tax rates	2,517	(5,198)
Adjustments in respect of previous periods	(24,591)	7,470
Tax on loss (note 10 (a))	647,601	674,340

c) Deferred tax

Deferred tax included in the balance sheet is as follows:

	2023 £	2022 £
Included in debtors (note 14)	18,773	40,400
Fixed asset timing differences	67,243	-
Short term timing differences	(48,470)	(40,400)
	18,773	(40,400)

Factors that may affect future tax charges:

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. 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, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 31 March 2023 is 25%.

Ensco 1375 Limited

Notes to the Financial Statements

Year Ended 31 March 2023

11. Intangible fixed assets

	Computer software	Goodwill	Total
	£	£	£
Cost:			
At 1 April 2022	51,534	33,358,785	33,410,319
Additions	100,950	31,227,711	31,328,661
At 31 March 2023	152,484	64,586,496	64,738,980
Amortisation:			
At 1 April 2022	25,551	4,725,827	4,751,378
Charge for the year	16,236	3,873,325	3,889,561
At 31 March 2023	41,787	8,599,152	8,640,939
Net book value:			
At 1 April 2022	25,983	28,632,958	28,658,941
At 31 March 2023	110,697	55,987,344	56,098,041

12. Tangible fixed assets

	Fixtures and fittings	Office equipment	Total
	£	£	£
Cost:			
At 1 April 2022	31,081	166,260	197,341
Acquired through acquisition	1,603	142,034	143,637
Additions	88,880	35,213	124,093
Disposed or written off	-	(9,458)	(9,458)
At 31 March 2023	121,564	334,049	455,613
Depreciation:			
At 1 April 2022	1,727	86,715	88,442
Acquired through acquisition	827	100,843	101,670
Charge for the year	12,418	42,531	54,949
Disposed or written off	0	(3,506)	(3,506)
At 31 March 2023	14,972	226,583	241,555
Net book value:			
At 1 April 2022	29,354	79,545	108,899
At 31 March 2023	106,592	107,466	214,058

13. Fixed asset investments

	Investments in subsidiary companies
	£
Cost:	
At 1 April 2022	36,238,045
Additions	29,468,661
At 31 March 2023	65,706,706
Carrying amount:	
At 1 April 2022	36,238,045
At 31 March 2023	65,706,706

Subsidiary Undertakings:

At 31 March 2023, the Company held interests in the following subsidiary undertakings:

Name	Principal activity	Registered Number	Class of shares	Holding
Ross Corporate Holdings Limited	H	12492029	Ordinary	100%
Ross Trustees Services Limited	TG	07904277	Ordinary	100%
Ross Corporate Services Limited	TG	07104969	Ordinary	100%
Clark Benefit Consulting Limited	TG	08235483	Ordinary	100%
Clarity Trustees Limited	TG	12470917	Ordinary	100%
Independent Governance Group Limited	H	12031956	Ordinary	100%
Independent Trustee Services Limited	TG	02567540	Ordinary	100%
Independent Trustee Limited	TG	02473669	Ordinary	100%
Leadenhall Independent Trustees Limited	TG	02303944	Ordinary	100%

H indicates that the principal activity is that of a holding Company.

TG indicates that the principal activity is the provision of professional pensions trusteeship and governance services for occupational pension schemes.

Ross Trustees Services Limited and Ross Corporate Services Limited are 100% owned subsidiaries of Ross Corporate Holdings Limited, which in turn is a 100% owned subsidiary of Ensco 1375 Limited

Independent Trustee Services Limited, Independent Trustee Limited and Leadenhall Independent Trustees Limited are 100% subsidiaries of Independent Governance Group Limited, which in turn is a 100% owned subsidiary of Ensco 1375 Limited.

The registered office of all subsidiaries is the same as Ensco 1375 Limited. All subsidiaries are incorporated in England and Wales.

All of the subsidiaries listed above are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Act.

Ensco 1375 Limited

Notes to the Financial Statements

Year Ended 31 March 2023

14. *Debtors*

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Deferred Taxation	18,773	40,400	14,761	40,400
Trade debtors	4,479,228	2,398,514	-	-
Amounts owed by Group undertakings	-	-	3,535,886	-
Other debtors	186,758	124,452	156,787	8,510
Prepayments and accrued income	1,185,500	209,218	30,605	29,258
	5,870,259	2,772,584	3,738,039	78,168

Amounts owed by Group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

15. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans and overdrafts	1,680,000	560,468	1,680,000	560,000
Trade creditors	598,524	124,389	106,713	2,080
Amounts owed to Group undertakings		-	1,968,732	640,819
Corporation tax	778,955	435,542	-	-
Other taxation and social security	1,166,766	837,944	-	-
Other creditors	44,002	60,803	-	-
Accruals and deferred income	1,944,171	1,223,170	57,043	109,394
	6,212,418	3,242,316	3,812,488	1,312,293

Details of bank loans are provided in note 17.

16. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Loan notes	43,659,688	28,137,741	43,659,688	28,137,741
Bank loans	18,780,000	6,740,000	18,780,000	6,740,000
Contingent consideration	345,528	-	345,528	-
Amortised loan arrangement fees	(1,100,246)	(851,750)	(1,100,246)	(851,750)
Accrued interest on loan notes	3,865,333	4,861,608	3,865,333	4,861,608
	65,550,303	38,887,599	65,550,303	38,887,599

Details of bank loans and loan notes are provided in note 17.

Details of contingent consideration are provided in note 25.

17. Loans and other borrowings

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Amounts falling due within one year				
Bank loans	1,680,000	560,000	1,680,000	560,000
Other loans	-	4,908	-	4,908
	1,680,000	564,908	1,680,000	564,908
Amounts falling due 1-2 years				
Bank loans	1,680,000	560,000	1,680,000	560,000
	1,680,000	560,000	1,680,000	560,000
Amounts falling due 2-5 years				
Bank loans	17,100,000	6,180,000	17,100,000	6,180,000
Loan Notes	43,659,688	28,137,741	43,659,688	28,137,741
	60,759,688	34,317,741	60,759,688	34,317,741
	64,119,688	35,442,649	64,119,688	35,442,649

The Bank loans consist of two loan facilities, A and B, and an undrawn revolving credit facility, each secured by a first charge over the assets of the Group.

Loan Facility A of £6,580,000 is repayable in quarterly instalments in the period to November 2026, is subject to an interest margin rate over SONIA of 4%, and the balance at 31 March 2023 was £6,160,000 (2022: £2,100,000).

Loan Facility B of £14,300,000 is repayable in full on termination of the loan agreement in November 2027, is subject to an interest margin rate over SONIA of 4.5%, and the balance at 31 March 2023 was £14,300,000 (2022: £5,200,000).

The undrawn revolving credit facility of £1,000,000 is subject to an interest margin rate over SONIA of 4% on the drawn-down amount.

Interest charged in the period to the Consolidated Profit and Loss Account in respect of the Bank loans was £629,987 (2022: 350,378).

In November 2020 the Company issued £20,412,835 of loan notes to funds controlled by Lloyds Development Capital, £436,931 of loan notes to certain of the Company's directors and employees, and £7,219,351 to the former shareholders of Ross Corporate Holdings to help fund its acquisition by the Company.

In March 2021 and February 2022 a further £62,568 in aggregate of loan notes were issued to certain of the Group's employees.

In February 2023, a further £12,902,895 of loan notes were issued to funds controlled by Lloyds Development Capital and £2,625,108 to the shareholders of Independent Governance Group Limited to help fund its acquisition by the Company.

Loan notes are due for repayment in March 2028 and bear interest at 12% per annum, with unpaid interest accruing and compounding biannually.

Loan notes with a balance of £21,770,920 are secured by a guarantee and debenture over the Company's assets, with the remaining loan notes unsecured.

Interest charged to the Consolidated Profit and Loss Account in the period in respect of loan notes was £4,124,633 (2022: £3,625,896).

The bank loans and loan notes are recognised net of debt issue costs of £1,670,985. During the period, debt issue costs of £256,598 (2022: £238,491) were amortised to the Consolidated Profit and Loss Account leaving a balance to carry forward of £1,100,246.

18. Share capital

a) A Ordinary shares of £0.03 each

Allotted, called up and fully paid	**Number**	**£**
At 1 April 2022	588,589	17,658
Issued during the year	94,592	2,837
At 31 March 2023	683,181	20,495

b) B Ordinary shares of £0.10 each

Allotted, called up and fully paid	**Number**	**£**
At 1 April 2022	236,411	23,641
Issued during the year	-	-
At 31 March 2023	236,411	23,641

c) C Ordinary shares of £0.10 each

Allotted, called up and fully paid	**Number**	**£**
At 1 April 2022	110,000	11,000
Issued during the year	12,500	1,250
At 31 March 2023	122,500	12,250

c) E Ordinary shares of £0.10 each

Allotted, called up and fully paid	**Number**	**£**
At 1 April 2022	-	-
Issued during the year	88,686	8,869
At 31 March 2023	88,686	8,869

On 2 February 2023, 88,686 E Ordinary shares were issued as part of the consideration to acquire Independent Governance Group Limited.

19. Reserves

Share premium account

Includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

The profit and loss account reserve includes all accumulated profits and losses from previous accounting periods less any distributions to owners.

20. Reconciliation of profit to cash flow from operating activities

	2023 £	2022 £
Loss for the financial year	(4,635,892)	(3,668,909)
Interest receivable and similar income	(2,902)	(74)
Interest payable and similar charges	5,011,217	4,214,765
Tax on profit / loss on ordinary activities	647,601	723,222
Depreciation and impairment of tangible fixed assets	54,949	34,639
Los on sale of tangible fixed assets	5,952	-
Amortisation and impairment of intangible fixed assets	3,889,561	3,344,720
(Increase) / decrease in debtors	(691,315)	(470,130)
Increase / (decrease) in creditors	(713,948)	702,840
Corporation tax paid	(765,348)	(717,527)
Exceptional Items	774,857	-
Amortisation of loan issue costs	(248,496)	(233,176)
Cash flow from operating activities	3,326,236	3,930,370

21. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	752,113	443,678
Later than 1 year and not later than 5 years	516,313	374,937
	1,268,426	818,615

22. Related party transactions

During the period, the Group and Company incurred charges in relation to the annual monitoring fee of £97,833 (2022: £69,177) from LDC (Managers) Limited, a Company controlled by Lloyds Development Capital.

Also during the period, funds controlled by Lloyds Development Capital were paid loan arrangement fees of £390,000 (2022: £nil).

Fees payable during the year to directors are disclosed within note 6.

In November 2022 the Company paid £5,119,622 of accrued interest on loan notes, of which £3,732,603 was *paid to funds controlled by Lloyds Development Capital and* £1,387,018 was paid to directors of the Company.

The Group and Company have taken advantage of the exception conferred by Section 33 of FRS 103 not to disclose transactions between wholly owned members of the Group.

23. Controlling party

The directors are of the opinion that there is no ultimate controlling party.

24. Events after the reporting period

On the 23 May 2023, the Group acquired the entire share capital of Like Minds (UK) Limited, a creative communications agency specialising in employee engagement, specifically in relation to pensions and benefits. The total consideration, including directly attributable costs, was £3,032,667 of which £2,069,820 was paid in cash at completion. Deferred contingent consideration of up to £712,500 is payable in July 2024 based on the gross profit of the Company for the 12-month period to 30 April 2024.

25. Business combinations

The Company made three acquisitions during the financial year.

Acquisition of Clark Benefit Consulting Limited

On 10 August 2022, the Company acquired the entire share capital of Clark Benefit Consulting Limited, a provider of professional pensions trusteeship and governance services for occupational pension schemes, for total consideration of £438,681. The fair value of the identifiable net assets acquired are set out below:

	Book value	Fair value adjustments	Fair value
	£	£	£
Fixed assets			
Intangible assets	-	-	-
Tangible assets	6,171	-	6,171
	6,171	-	6,171
Current assets			
Debtors	24,252	-	24,252
Cash at bank and in hand	94,417	-	94,417
	118,669	-	118,669
Creditors			
Due within one year	(27,576)	-	(27,576)
Due after more than one year	-	-	-
Deferred taxation	-	-	-
Total identifiable net assets	97,264	-	97,264
Goodwill			341,417
Total purchase consideration			438,681

Consideration	£
Cash consideration paid	241,279
Contingent consideration	151,153
Directly attributable costs	46,249
Total purchase consideration	438,681

Contingent consideration is payable based on revenues in the six month period to January 2024. The amount payable is capped at £302,306. The recognised contingent consideration liability of £151,153 represents the Company's best estimate of the amount that will be paid. The amount has not been discounted as the effect of discounting is not material.

The goodwill arising on acquisition is attributable to know-how and client relationships. The useful life is estimated to be ten years.

The revenue from Clark Benefit Consulting Limited included in the Consolidated Profit and Loss Account for 2023 was £167,968. Clark Benefit Consulting Limited also contributed a profit of

£97,270 over the same period.

Acquisition of Independent Governance Group Limited

On 2 February 2023, the Company acquired the entire share capital of Independent Governance Group Limited and its subsidiaries, a provider of professional pensions trusteeship and governance services for occupational pension schemes, for a total consideration of £28,488,513. The fair value of the identifiable net assets acquired are set out below:

	Book value	Fair value adjustments	Fair value
	£	£	£
Fixed assets			
Intangible assets	4,215,128	(4,215,128)	-
Tangible assets	34,034	-	34,034
	4,249,162	(4,215,128)	34,034
Current assets			
Debtors	2,633,065	(285,014)	2,348,051
Cash at bank and in hand	987,990	-	987,990
	3,621,055	(285,014)	3,336,041
Creditors			
Due within one year	(2,931,423)	(8,333)	(2,939,756)
Due after more than one year	(2,400,000)	-	(2,400,000)
Deferred taxation	-	-	-
Total identifiable net assets/(liabilities)	2,538,794	(4,508,475)	(1,969,681)
Goodwill			30,458,194
Total purchase consideration			28,488,513

The fair value adjustments arising comprise:

a. *Elimination of £4,215,128 of Intangible Assets relating to acquisition goodwill*
b. Write-down of £160,206 of accrued income which was never invoiced to customers
c. Reversal of £124,808 of invoiced sales that had been recognized twice
d. Corresponding reduction of VAT creditor by £20,801, relating to item (c) above
e. *Recognition of £29,134 of accrued but unpaid loan interest to date of acquisition*

	£
Consideration	
Cash consideration paid	19,709,638
Loan notes issued	2,625,108
Shares issued	4,874,892
Directly attributable costs	1,278,875
Total purchase consideration	28,488,513

See note 17 for further detail of the additional funding arrangements entered into for the acquisition.

The goodwill arising on acquisition is attributable to know-how and client relationships. The useful life is estimated to be ten years.

The revenue from Independent Governance Group Limited and its subsidiaries included in the *Consolidated Profit and Loss Account for 2023 was £1,391,390. Independent Governance Group* Limited and its subsidiaries also contributed a profit of £249,672 over the same period.

Acquisition of Clarity Trustees Limited

On 15 February 2023, the Company acquired the entire share capital of Clarity Trustees Limited, a provider of professional pensions trusteeship and governance services for occupational pension schemes, for total consideration of £541,467. The fair value of the identifiable net assets acquired are set out below:

	Book value	Fair value adjustments	Fair value
	£	£	£
Fixed assets			
Intangible assets	-	-	-
Tangible assets	1,982	-	1,982
	1,982	-	1,982
Current assets			
Debtors	40,856	14,827	55,683
Cash at bank and in hand	119,515	-	119,515
	160,371	14,827	175,198
Creditors			
Due within one year	(63,816)	-	(63,816)
Due after more than one year	-	-	-
Deferred taxation	-	-	-
Total identifiable net assets	98,537	14,827	113,364
Goodwill			428,103
Total purchase consideration			541,467

The fair value adjustments arising comprise:

a. Accrual for income earned but not yet invoiced of £14,827

Consideration	£
Cash consideration paid	300,583
Contingent consideration	194,375
Directly attributable costs	46,509
Total purchase consideration	541,467

Contingent consideration is payable based on revenues in the period to August 2024. The amount payable is capped at £194,375. The recognised contingent consideration liability of £194,375 represents the Company's best estimate of the amount that will be paid. The amount has not been discounted as the effect of discounting is not material.

The goodwill arising on acquisition is attributable to know-how and client relationships. The useful life is estimated to be ten years.

The revenue from Clarity Trustees Limited included in the Consolidated Profit and Loss Account for 2023 was £34,233. Clarity Trustees Limited also contributed a profit of £18,741 over the same period.

Net cash outflow on acquisitions

	Clark Benefit Consulting Limited £	Independent Governance Group Limited £	Clarity Trustees Limited £	Total £
Purchase consideration settled in cash, as above	241,279	19,709,638	300,583	20,251,500
Directly attributable costs	46,249	1,278,875	46,509	1,371,633
Cash and cash equivalents acquired	(94,417)	(987,990)	(119,515)	(1,201,922)
Net cash outflow on acquisitions	193,111	20,000,523	227,577	20,421,211

26. Share-based payments

During the year, the Group operated a share-based payment scheme under which certain employees are granted Enterprise Management Incentive (EMI) Options from time to time over minority shareholdings of C Ordinary shares in the Company.

The options are granted with a fixed exercise price equalling the actual market value for tax purposes approved by HMRC at the time of grant. The options may only be exercised immediately prior to a future sale or listing of the Group, unless the Company's Board of Directors determine otherwise. On exercise of the options by employees, the Company issues new shares. Employees are not entitled to dividends until the options are exercised. The options lapse ten years after the date of grant, on ceasing to be an employee of the Group or otherwise failing to comply with the option scheme rules.

A reconciliation of share options movements over the year to 31 March 2023 is shown below:

	2023 No.	2023 Weighted average exercise price £	2022 No.	2022 Weighted average exercise price £
Outstanding at beginning of period	55,000	£0.70	22,500	£0.58
Granted during the period	-	-	32,500	£0.78
Forfeited during the period	(7,500)	£0.71	-	-
Exercised during the period	(12,500)	£0.58	-	-
Expired during the period	-	-	-	-
Outstanding at end of period	35,000	£0.79	55,000	£0.70
Exercisable at end of period	-	-	-	-

The Directors consider that as at the balance sheet date the triggering event for the exercise of the options is not highly probable and the expense to the Company for the year to 31 March 2023 is therefore estimated to be not material. Accordingly the total expense recognised during the year in respect of share based payments is £nil (2022: £nil). Liabilities arising from share based payments transactions totalled £nil (2022: £nil).