

**Company Registration No. 12075381 (England and Wales)**

**SOLO TOPCO LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**

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## **SOLO TOPCO LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	B P Dowd A Fowler D M Ridge Y Souillard M Thompson M Flick
<b>Company number</b>	12075381
<b>Registered office</b>	Onecom House 4400 Parkway Whiteley Fareham Hampshire England PO15 7FJ
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY

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## SOLO TOPCO LIMITED

### STRATEGIC REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

#### Review of the business

In July 2019, Onecom secured a significant funding package from mid-market private equity firm Lloyds Development Capital (LDC). From this point, there has been a change of ownership structure, with consolidation of the overall Group through a new entity, namely Solo Topco Limited.

For 2020, this entity now shows a full year consolidation, whereas 2019 only shows a part year consolidation from July 2019. The figures presented in the table below are to allow normalised, full year comparisons which remove M&A and other related transaction costs in order to compare underlying business performance.

Onecom is one of the UK's largest independent business telecommunications providers, delivering fixed line, mobile, connectivity, and integrated unified communications & cloud solutions to a diverse base of customers.

Since the investment from LDC, Onecom has developed and progressed with the execution of both an organic and inorganic growth plan. During the period under review, Onecom has invested in additional headcount, expanding both sales and support functions to drive future organic growth equating to approximately 40 heads. This represents a long-term investment strategy for the Group, with planned upfront investment in headcount delivering returns in future years. As expected, that is reflected in the FY20 cost base and resulting EBITDA.

Furthermore, two acquisitions were successfully completed during the period, with the purchase of Glamorgan Telecom in August 2020, followed by Nice Network in October 2020. This has delivered greater product, customer and geographical reach. As noted in the post balance sheet events below, this strategy has continued and significantly accelerated in 2021 with the acquisition of Olive Communications and 9 Retail & 9 Partners in February 2021, again adding significant scale, diversification and expertise to support the developing communication needs of business customers across the UK, whilst also creating significant cross sell opportunities and delivering longer term recurring annuity revenues for the enlarged Group.

Net liabilities of the Group are £16.4m, including £16.0m cash at bank at the end of 2020. These net liabilities arose due to the amortisation of goodwill on completed acquisitions, in addition to the interest charges relating to the Groups funding structure following the investment from LDC.

Management considers the key financial metrics (excluding the impact of deal related and other one-off costs) of Onecom to be those set out in the table below.

	£k	£k	%
	2020	2019	Growth vs 2019
Revenue	£92,063	£89,869	2.4%
Gross profit	£21,873	£23,144	-5.4%
EBITDA	£12,432	£14,770	-15.8%

During the period under review the Group achieved a turnover of £92.1m compared with £89.9m in the previous year. The increase was supported by two acquisitions in the year, with underlying organic revenue broadly stable, despite some market wide negative impacts from COVID-19.

As a telecommunications provider, Onecom continued to see strong demand for products and services during the COVID-19 pandemic. The Group quickly and successfully transitioned to remote working for all staff in March 2020, ensuring our people were working in safe environments, whilst ensuring uninterrupted support of our customers, maintaining market leading levels of customer service and support as businesses in all sectors pivoted to remote and flexible working.

Despite increased demand for services and the resilience in our business model, there were three key areas that inevitably suffered some sector wide downward pressure on in-year revenue and profit performance.

## **SOLO TOPCO LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Review of the business (continued)**

Firstly, global travel restrictions saw a c90% reduction in mobile roaming revenues from April 2020, which largely continued throughout the period under review. This accounted for c£1.4m decline in revenue and margin, with no associated cost of sale saving and therefore a full impact on EBITDA. 2021 has seen a gradual return, a trend that is expected to continue as travel patterns recover and normalise.

Secondly, as businesses went into lockdown, delays to both product sales and more complex installations were encountered, reflecting the focus placed on day to day operations, rather than hardware refreshes or on site solutions that would require an engineer visit. Despite the increased demand for cloud based solutions that are typically more recurring in nature, this resulted in a full year decline in hardware and IT sales of c£2m. This reduction was largely temporary, with trends recovering by the end of 2020 and fully in to 2021.

Finally, with large scale temporary business closures, call revenue across both mobile and fixed line product portfolios saw a decline, either due to full closure and therefore lack of usage, or altered working habits, with more employees working remotely. This resulted in an estimated £0.7m revenue reduction in the period under review.

These impacts, alongside investment in additional headcount as part of the organic growth strategy, therefore reflect in the overall decline in year on year gross profit and EBITDA figures, with a normalised position showing single digit growth when compared to 2019. The COVID related impacts continue to unwind as restrictions ease, whilst the extra headcount investment has seen strong growth in annuity revenue and margin streams in 2021 as planned.

Core business performance outside of COVID showed a high degree of resilience and growth throughout 2020. Revenues from non-mobile services again achieved yearly growth rates of over 10% as we continue to grow the base and offer greater product diversification and choice, particularly in cloud & hosted voice propositions where we've strengthened our relationships with key partners as the market moves towards the PSTN switch off in 2025. Onecom are well positioned to capitalise on this opportunity and support customers through this transition.

Mobile customers and revenue grew (excluding the impact of COVID), with underlying ARPU showing growth of +0.4%, underpinned by base growth of +3% and low churn levels of c12%.

Finally, through organic and inorganic activity in 2020 and in to 2021, Onecom has continued to widen the product offering and successfully deliver a 50:50 balance of future revenue streams from mobile and non-mobile services reflecting the developing requirements and buying behaviour of the customer base.

Onecom have continued to invest in people and processes throughout 2020. This has seen further investment in core reporting and CRM systems, plus developments in automation that will deliver even strong customer experience and process efficiency. This is reflected in continued market leading customer satisfaction, with an "excellent" 4.8 Trustpilot rating, significantly ahead of the industry benchmark.

Notable movements in the balance sheet shows the continued growth of the Onecom customer base, with customer incentives at £42.7m (2019: £36.7m) which is presented within other debtors. Similarly, as the customer base grows, then the equivalent liability for "techfund" has increased, presented in trade creditors, which has increased to £39.9m (2018: £33.4m). Onecom have continued to see strong cash conversion in 2020, resulting in growth in cash balances to £16.0m (2018: £10.0m), despite the use of cash reserves to support some of the M&A activity.

Onecom received a number of industry awards in 2020. These included being awarded the "Best Mobile Service & Solution Provider" and "Business Growth" awards at the Mobile Industry Awards, the "Tech Employer of the Year" at the South Coast Tech Awards and the "Leadership and Management" award at the Investors in People Awards. During the year, Onecom received a Gold Accreditation from Investors in People following an assessment in Q1 of 2020. This reflects the importance Onecom put on employee engagement and places the Group in the top 3% of all businesses assessed. Finally, Onecom were again recognised as Vodafone's Strategic Partner of the year, underlining the strength of Onecom's largest commercial partnership.

## **SOLO TOPCO LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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##### **Future developments and post balance sheet events**

In 2021, Onecom has continued to execute the inorganic growth plan. This resulted in the acquisition of Olive Communications on 19th February 2021 and 9 Retail and 9 Partners (two divisions of 9 Group) on 28th February 2021.

M Flick was appointed as a director on 4 March 2021.

C Hurley resigned as a director on 30 June 2021.

##### **Impact of COVID-19**

The Group quickly and successfully transitioned to remote working for all staff in March 2020, ensuring our people were working in safe environments, whilst ensuring no interruption to our market leading levels of customer service and support.

Throughout 2020 and 2021, the Group has continued to follow Government guidance at all times, putting employee and customer safety first. The pandemic has also allowed Onecom to automate and streamline a number of processes, while developing and launching an "agile working" policy to inform a future way of working.

Customer needs and purchasing decisions have developed throughout the past year and Onecom have moved quickly to be well positioned to support these changes. This is particular has seen a reduction in on site solutions which are often associated with upfront customer costs, instead being replaced with greater demand for hosted products on an annuity payment model.

Looking ahead in to 2021, as lockdowns and restrictions ease, any remaining downside impacts of COVID continue to unwind – and despite the ongoing reduction to travel and associated roaming revenue, the Group expects to report solid financial growth for FY21.

## **SOLO TOPCO LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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##### **Principal risks and uncertainties**

The principal risks for the Group going forward are perceived to be:-

- 1) General economic activity - the Group operates in the business to business sector and where economic activity shows a downward trend, this might be perceived as a potential risk to the operations of the Group. However, experience has shown that revenues tend to be robust, irrespective of activity as telecoms are an essential part of business, irrespective of the economic conditions.
- 2) Lack of diversification - the Group is continuing to invest in its non-mobile wholesale business which is showing very strong growth and this is forecast to continue accelerating. This is further addressed through the inorganic strategy and the resulting revenue mix is approaching 50:50.
- 3) Regulatory changes and price risk - in the past, regulatory changes have affected gross telephony revenues and prices and the Group monitors the effects of this on a regular basis and where applicable will devise and implement strategies and policies to address and minimise the impact of any commercial pressures or compliance requirements.
- 4) Changes in technology - the speed of technological advancement and customer expectations in telecommunications is regularly monitored by the Group. One of Onecom's strengths, through its independence, is its ability to adapt to change and willingness to offer a variety of products to the UK total communications market.
- 5) Liquidity and cashflow risk - the Group has an obligation to recognise incentives when a contract is signed, but receives the associated revenue on a spread basis over the life of the contract. The Group mitigates this risk by profit retention and a strong cash balance, alongside policies with customers where incentives are paid on a spread basis. The Group regularly reviews cash flow projections and has invested in platforms to improve cash flow management.
- 6) Credit risk - credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. A large proportion of the mobile customer credit risk is borne by Vodafone rather than the Group as they receive their revenue share from Vodafone rather than collecting cash from customers. Onecom have significantly invested in credit control processes throughout 2020 to reduce credit risk on the non mobile side of the business.

## SOLO TOPCO LIMITED

### STRATEGIC REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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##### **Section 172 (1) statement**

The Board of Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, in the decisions it has taken during the year ended 31st December 2020.

Specifically in relation to those matters set out in s172(1)(a-f) of the Act:

a. Our plan has been designed to ensure a long term commercial beneficial impact on the Group, contributing towards supporting our customers with high quality products, services and support. We have regularly discussed and reviewed the plan at Board level, ensuring objectives are aligned and that we continue to execute the plan as agreed, setting out a clear vision to 2024 and beyond. Furthermore, we have continued to operate with strong budgetary control across all areas of the business, ensuring we maximise long term returns from the assets of the Group.

b. Our employees are crucial to the delivery of our plan. We aim to be a responsible employer in our approach to all employee matters, including the pay and benefits we offer. We engage in regular dialogue with our employees through a wide variety of communication methods. Furthermore, we ensure employees have a voice in the Group, allowing the Group to receive employee feedback and engagement. This has resulted in the Group being awarded industry awards and accreditations for its employee engagement strategy and offerings.

c. A key element of our strategy is delivering organic growth. The main enabler to this is fostering strong relationships with customers. We heavily invest in delivering class leading customer service, as reflected in our ratings through recognised platforms such as Trustpilot. Furthermore, we have continued to develop our CRM systems to ensure we have the right information immediately available to support customer questions and needs. Equally, we maintain strong relationships with a number of leading suppliers, with regular engagement at all levels throughout the organisation. This again is reflected in the recognition we received from suppliers and partners such as Vodafone, Samsung, Mitel and Apple. Finally, we ensure the investors in the Group, specifically LDC and Ares, have high levels of engagement and visibility through regular monthly reviews, in addition to provision of high quality management information.

d. Our plan considers the impact of the Group's operation on the community and environment through a number of initiatives. We have an established employee "Green Team" to focus on reducing energy consumption and waste across the organisation. This has delivered tangible changes and equally has driven employee engagement as they see the impact of their initiatives. We are also now entering our third year in our partnership with "Young Minds", a mental health charity for children and young people which has involved the Group supporting a number of community projects. We have also continued the partnership with Olive's chosen charity, XLP, which matches an at risk young person with a trained mentor who encourages them to make positive choices. The focus is on ensuring young people aged 11-18 stay in education, aren't involved in gang culture or anti-social behaviour, and work hard to achieve their goals.

e. The Group places strong emphasis on maintaining a reputation for high standards of business conduct by ensuring we have adequate policies and controls in place across the Group. Our success is based on long term customer and supplier relationships which are underpinned by our reputation for maintaining these high standards of conduct

f. As a Board of Directors, our intention is to behave responsibly and fairly toward our shareholders, treating them equally and ensuring everyone is able to benefit from executing the agreed plan.

**SOLO TOPCO LIMITED****STRATEGIC REPORT (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****Carbon emissions**

In line with the government's streamlined energy and carbon reporting requirements we are required to report our organisation's carbon emissions for the period 1st January 2020 to 31st December 2020.

We have set this year as our baseline year and reported our total emissions using the financial control boundary. Our methodology aligns with Defra's Environmental reporting guidelines (2019) and uses the government's greenhouse gas (GHG) reporting conversion factors (2020) to quantify emissions.

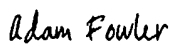
<b>Emissions source</b>	<b>2020</b>
Fuel Consumed in Group Controlled Vehicles	10
Directly Purchased Gas Consumed within buildings	5
<b>Total Scope 1 (tCO<sub>2</sub>e)</b>	<b>15</b>
Directly Purchased Electricity Consumed within buildings	86
<b>Total Scope 2 (tCO<sub>2</sub>e)</b>	<b>86</b>
Fuel Consumed by Personal Vehicles used for Business Activities	48
<b>Total Scope 3 (tCO<sub>2</sub>e)</b>	<b>48</b>
<b>Total Scope 1, 2 &amp; 3 (tCO<sub>2</sub>e)</b>	<b>149</b>
<b>Intensity Metrics</b>	
Total Annual Revenue (£ 000's)	89,274
<b>Scope 1&amp;2 emissions per unit (tCO<sub>2</sub>e/£ 000's)</b>	<b>0.0011</b>
Total Gross Internal Area* (m <sup>2</sup> )	4,541
<b>Scope 1+2 emissions per unit (tCO<sub>2</sub>e/m<sup>2</sup>)</b>	<b>0.0223</b>

<b>Energy Consumption by source</b>	<b>2020</b>
Electricity	419,135
Gas	2,752
Vehicle fuel (Group Cars)	43,280
Vehicle fuel (Personal Cars)	198,672
<b>Total</b>	<b>637,808</b>

In an effort to reduce our emissions we have undertaken carbon efficiency measures in the year including promoting the use of video conferencing to reduce our travel requirements.

Further information on our calculations can be found in our GHG Methodology statement.

On behalf of the board

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## **SOLO TOPCO LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### **Principal activities**

The principal activity continued to be that of a holding company.

#### **Directors**

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

B P Dowd

A Fowler

C Hurley

(Resigned 30 June 2021)

D M Ridge

Y Souillard

M Thompson

M Flick

(Appointed 4 March 2021)

#### **Results and dividends**

The results for the year are set out on page 13.

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

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **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.

#### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

#### **Auditor**

RSM UK Audit LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Strategic report**

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of matters considered to be of strategic importance, this includes information on carbon reporting.

## SOLO TOPCO LIMITED

### DIRECTORS' REPORT (CONTINUED)

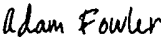
### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Statement of disclosure to auditor

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

On behalf of the board

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## **SOLO TOPCO LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

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

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

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### **Opinion**

We have audited the financial statements of Solo Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, 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 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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.

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

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

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

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

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The group audit engagement team identified the risk of management override of controls and the recognition of revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Furthermore, audit procedures tested the recognition of revenue by reference to contractual agreements and management's calculation of accrued commission income including judgements made over the achievement of performance targets.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Paul Anthony (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TY

14 September 2024

**SOLO TOPCO LIMITED****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Year ended 31 December 2020 £	Period ended 31 December 2019 £
	Notes		
<b>Turnover</b>	<b>3</b>	92,063,098	38,431,096
Cost of sales		(70,190,315)	(25,652,215)
<b>Gross profit</b>		21,872,783	12,778,881
Administrative expenses		(22,250,298)	(6,928,172)
Other operating income		299,949	7,047
Exceptional item	<b>4</b>	(460,390)	(4,005,760)
<b>Operating (loss)/profit</b>	<b>6</b>	(537,956)	1,851,996
Interest receivable and similar income	<b>9</b>	131,727	7,036
Interest payable and similar expenses	<b>10</b>	(12,424,827)	(5,078,468)
<b>Loss before taxation</b>		(12,831,056)	(3,219,436)
Tax on loss	<b>11</b>	(1,083,755)	244,818
<b>Loss for the financial year</b>		(13,914,811)	(2,974,618)
Loss for the financial year is attributable to:			
- Owners of the parent company		(13,909,034)	(2,970,229)
- Non-controlling interests		(5,777)	(4,389)
		(13,914,811)	(2,974,618)
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(13,909,034)	(2,970,229)
- Non-controlling interests		(5,777)	(4,389)
		(13,914,811)	(2,974,618)

Company Registration No. 12075381

**SOLO TOPCO LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Goodwill	12	57,293,486		57,249,437	
Other intangible assets	12	51,668,155		51,066,858	
Total intangible assets		108,961,641		108,316,295	
Tangible assets	13	2,449,347		2,615,604	
Investments	14	8		8	
		111,410,996		110,931,907	
<b>Current assets</b>					
Stocks	17	1,226,077		600,509	
Debtors	18	62,774,693		54,789,446	
Cash at bank and in hand		15,970,671		10,037,629	
		79,971,441		65,427,584	
<b>Creditors: amounts falling due within one year</b>	19	(67,029,932)		(42,392,103)	
<b>Net current assets</b>		12,941,509		23,035,481	
<b>Total assets less current liabilities</b>		124,352,505		133,967,388	
<b>Creditors: amounts falling due after more than one year</b>	20	(130,664,609)		(127,346,673)	
<b>Provisions for liabilities</b>	22	(10,119,010)		(9,101,643)	
<b>Net liabilities</b>		(16,431,114)		(2,480,928)	
<b>Capital and reserves</b>					
Called up share capital	25	7,582		9,284	
Share premium account	26	406,891		406,891	
Capital redemption reserve	26	1,702		-	
Profit and loss reserves	26	(16,914,638)		(2,970,229)	
<b>Equity attributable to owners of the parent company</b>		(16,498,463)		(2,554,054)	
<b>Non-controlling interests</b>		67,349		73,126	
		(16,431,114)		(2,480,928)	



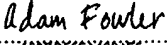
Company Registration No. 12075381

**SOLO TOPCO LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 31 DECEMBER 2020**

The financial statements were approved by the board of directors and authorised for issue on 11/9/2021 | 08:01:38 85  
and are signed on its behalf by:

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**Director**

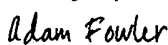
Company Registration No. 12075381

**SOLO TOPCO LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investments	14		1		1
<b>Current assets</b>					
Debtors	18	54,242,974		53,327,340	
<b>Creditors: amounts falling due within one year</b>	19	(11,948,616)		(3,206,575)	
<b>Net current assets</b>		42,294,358		50,120,765	
<b>Total assets less current liabilities</b>		42,294,359		50,120,766	
<b>Creditors: amounts falling due after more than one year</b>	20	(52,173,609)		(52,663,824)	
<b>Net liabilities</b>		(9,879,250)		(2,543,058)	
<b>Capital and reserves</b>					
Called up share capital	25	7,582		9,284	
Share premium account	26	406,891		406,891	
Capital redemption reserve	26	1,702		-	
Profit and loss reserves	26	(10,295,425)		(2,959,233)	
<b>Total equity</b>		(9,879,250)		(2,543,058)	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £7,300,817 (2019 - £2,959,233 loss).

The financial statements were approved by the board of directors and authorised for issue on 11/9/2021 | 08:01:38 B: and are signed on its behalf by:

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**Director**

# SOLO TOPCO LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
<b>Balance at 28 June 2019</b>		-	-	-	-	-	-	-
<b>Period ended 31 December 2019:</b>								
Loss and total comprehensive income for the period		-	-	-	(2,970,229)	(2,970,229)	(4,389)	(2,974,618)
Issue of share capital	25	9,284	406,891	-	-	416,175	-	416,175
Acquisition of subsidiary		-	-	-	-	-	77,515	77,515
<b>Balance at 31 December 2019</b>		9,284	406,891	-	(2,970,229)	(2,554,054)	73,126	(2,480,928)
<b>Period ended 31 December 2020:</b>								
Loss and total comprehensive income for the period		-	-	-	(13,909,034)	(13,909,034)	(5,777)	(13,914,811)
Reduction of shares	25	(1,702)	-	1,702	(35,375)	(35,375)	-	(35,375)
<b>Balance at 31 December 2020</b>		7,582	406,891	1,702	(16,914,638)	(16,498,463)	67,349	(16,431,114)

**SOLO TOPCO LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 28 June 2019</b>		-	-	-	-	-
<b>Period ended 31 December 2019:</b>						
Loss and total comprehensive income for the period		-	-	-	(2,959,233)	(2,959,233)
Issue of share capital	25	9,284	406,891	-	-	416,175
<b>Balance at 31 December 2019</b>		9,284	406,891	-	(2,959,233)	(2,543,058)
<b>Period ended 31 December 2020:</b>						
Loss and total comprehensive income for the period		-	-	-	(7,300,817)	(7,300,817)
Reduction of shares	25	(1,702)	-	1,702	(35,375)	(35,375)
<b>Balance at 31 December 2020</b>		7,582	406,891	1,702	(10,295,425)	(9,879,250)

**SOLO TOPCO LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	27	17,227,527		(22,614,029)	
Interest paid		(5,072,371)		(5,078,468)	
Income taxes paid		(2,221,410)		(709,229)	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>9,933,746</b>		<b>(28,401,726)</b>	
<b>Investing activities</b>					
Purchase of business net of cash acquired		(7,144,311)	(51,223,333)		
Purchase of intangible assets		(122,193)	(11,636)		
Proceeds on disposal of intangibles		-	38,437		
Purchase of tangible fixed assets		(281,159)	(242,997)		
Proceeds on disposal of tangible fixed assets		282,671	-		
Interest received		131,727	-		
Other investment income received		-	7,036		
<b>Net cash used in investing activities</b>		<b>(7,133,265)</b>		<b>(51,432,493)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		-	416,175		
Redemption of shares		(35,375)	-		
Proceeds from borrowings		3,167,936	89,455,673		
<b>Net cash generated from financing activities</b>		<b>3,132,561</b>		<b>89,871,848</b>	
<b>Net increase in cash and cash equivalents</b>		<b>5,933,042</b>		<b>10,037,629</b>	
Cash and cash equivalents at beginning of year		10,037,629		-	
<b>Cash and cash equivalents at end of year</b>		<b>15,970,671</b>		<b>10,037,629</b>	

## SOLO TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### Company information

Solo Topco Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Onecom House 4400 Parkway, Whiteley, Fareham, Hampshire, England, PO15 7FJ.

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

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

##### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

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

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

##### Basis of consolidation

The consolidated financial statements incorporate those of Solo 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 2020. 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.

## SOLO TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

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

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

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

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

#### Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The directors have taken measures to counter the potential impact of COVID-19 on the operations of the group and the resultant impact on its financial position. Whilst the risks cannot be completely mitigated and therefore some level of future uncertainty remains, the directors have reviewed detailed forecasts and consider the group is able to continue meeting its liabilities as they fall due in the foreseeable future which is considered to be a period of 12 months from the date of approving the financial statements. In particular the directors have considered the forecast level of cash held by the group and consider that a sufficient level of cash shall be held for the group to meet its liabilities and operate within its loan covenants. Management has applied reasonable downside scenarios to stress test the financial forecasts and with these scenarios included still consider that management hold a sufficient level of cash for the group to continue to trade and meets its liabilities for a period of 12 months from signing the financial statements.

#### Reporting period

The prior year is for a short period of five months following the incorporation of Solo Topco Limited and aligning the year end with that of its subsidiaries. Therefore amounts may not be comparable.

#### Exceptional items

Exceptional items are disclosed in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, being the mobile revenue share and ancillary payments from networks and amounts due in respect of fixed line and converged telephony solutions and is shown net of VAT and other sales related taxes.

Turnover also includes the net amount invoiced to customers in respect of the sale of mobile telephones and accessories and the provision of IT equipment installation and ongoing ancillary services and is also shown net of VAT. Turnover is recognised in the period which services are provided with incentives being spread evenly over contract periods.

## SOLO TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

##### **Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

##### **Intangible fixed assets other than goodwill**

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

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

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

Patents and licences	Over 5 years
Capitalised software	Over 10 years
Customer contracts	Over 10, 11 or 13 years
Brand name	Over 10 years

##### **Tangible fixed assets**

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

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

Leasehold improvements	10% to 20% on cost
Plant and equipment	33% to 50% straight line
Fixtures and fittings	15% reducing balance
Computers	15% to 33% reducing balance
Motor vehicles	25% reducing balance

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

##### **Fixed asset investments**

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

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



## **SOLO TOPCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

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

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

If the recoverable amount of an asset 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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

##### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

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

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

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

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

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

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

## SOLO TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1 Accounting policies (Continued)

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

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

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

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

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

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

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

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

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

Basic financial liabilities, including trade and other creditors, bank loans and loans from 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 payments discounted at a market rate of interest.

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

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

##### ***Equity instruments***

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

##### ***Taxation***

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

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

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

## **SOLO TOPCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

##### ***Deferred tax***

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

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

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

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

##### **Provisions**

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

##### **Retirement benefits**

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

##### **Leases**

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

## SOLO TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

##### **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.

During the year the directors have made use of the UK government coronavirus job retention scheme and the Wales Resilience Fund.

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

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

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

##### **Critical judgements**

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

##### ***Incentives***

Included within other debtors is the capitalisation of the incentives given to customers upon the signing of a new contract. This value is then amortised over the estimated life of the contract. The estimate of contract life has been calculated by the average tenure of each different contract that is offered and the estimated economic life thereon. A provision is made against customer incentive balances that are in existence but where the customers are no longer a customer of Onecom. This provision is supported by our terms and conditions which are agreed with the customer at the point of sale.

##### ***Bad debt provisions***

In respect of the groups sales ledger balances a provision is made of 30% of any debt aged between 90 - 180 days. This is increased to 100% when a debt is older than 180 days. Provision is made in respect of amounts due from networks based on an analysis of the carrying position at the balance sheet date.

##### ***Accrued income provisions***

The group holds balances within accrued income relating to commission owed by network providers. The group carries out detailed monthly analysis to understand the value expected and assess this against the monies paid by the networks. Where there is a discrepancy these values are queried and a provision is made against these based on the category of the query the transactions fall into.

# SOLO TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### *Valuation of intangibles*

Acquisitions of GT Group Services Limited and Nice Network Limited were made by Onecom Group Limited during the year. On acquisition, the directors made critical judgements in determining the allocation of the purchase price for the assets and liabilities acquired. The directors calculated the value of intangibles to be allocated to. Customer contracts and Brand name based on discounted cash flow forecasts to determine the value and useful economic life of the goodwill. Any remaining consideration above the value of the fair value of the assets acquired has been allocated as goodwill. Management do not consider that any indicators of impairment have arisen during the period or to the date of signing the financial statements to indicate that the value of the intangibles assets or goodwill requires impairment.

#### *Deferred contingent consideration*

The balance of deferred consideration owed at the year end represents consideration owing on the acquisition of Onecom Group. At the year-end the total amounts of £18,791,000 (2019 - £18,791,000) are included in creditors due greater than one year and amounts of £2,500,000 (2019 - £nil) are included in creditors due within one year. The actual value to be paid is dependent on the future financial performance of the Group. At the time of signing these financial statements management has estimated the balance of deferred contingent consideration which they expect to be paid in these financial statements.

### 3 Turnover and other revenue

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Commissions	54,910,749	22,870,375
Products	13,937,630	6,505,800
Solutions	21,244,894	8,673,390
Other	720,122	228,051
Services	1,249,703	153,480
	<u>92,063,098</u>	<u>38,431,096</u>
	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>92,063,098</u>	<u>38,431,096</u>

**SOLO TOPCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>4</b>	<b>Exceptional costs/(income)</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Exceptional items	460,390	4,005,760

Exceptional items in the year relate to: directors compensation of £130,410 (2019 - £nil), bank facility legal fees of £25,000 (2019 - £nil), legal and professional fees on deal completion of £48,499 (2019 - £nil), failed project costs of £106,000 (2019 - £nil) and redundancy costs on deal completion of £150,480 (2019 - £nil). These exceptional items lead to the operating profit being reduced by the sum of £460,390.

In the prior year, exceptional items relate to bonuses paid to employees on the completion of the restructuring deal and lead to the operating profit being reduced by the sum of £4,005,760.

**5 Employees**

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

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Cost of sales	399	344	-	-
Administration	71	56	-	-
Directors	9	5	2	2
<b>Total</b>	<b>479</b>	<b>405</b>	<b>2</b>	<b>2</b>

Their aggregate remuneration comprised:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	18,335,845	4,008,093	103,775	49,901
Social security costs	1,934,292	596,509	11,382	-
Pension costs	429,234	116,552	-	-
	<b>20,699,371</b>	<b>10,127,474</b>	<b>115,157</b>	<b>49,901</b>

**SOLO TOPCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****6 Operating (loss)/profit**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit for the period is stated after charging/(crediting):		
Government grants	(297,130)	-
Depreciation of owned tangible fixed assets	494,234	175,250
Loss on disposal of tangible fixed assets	117,241	-
Amortisation of intangible assets	11,713,928	4,727,729
Operating lease charges	576,428	247,269
	<u>                    </u>	<u>                    </u>

**7 Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	18,375	27,500
Audit of the financial statements of the company's subsidiaries	71,750	54,000
	<u>90,125</u>	<u>81,500</u>
<b>For other services</b>		
Taxation compliance services	34,300	12,250
All other non-audit services	27,070	17,500
	<u>61,370</u>	<u>29,750</u>

**8 Government grants**

Government grants of £280,463 (2019 - £nil) were received during the year in relation to the UK Government Coronavirus Job Retention Scheme and is included within other operating income.

Further government grants of £16,667 (2019 - £nil) were received during the year in relation to the Wales Resilience Fund and is included within other operating income.

**9 Interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	846	-
Interest refunded	130,881	-
Total interest revenue	<u>131,727</u>	<u>-</u>
<b>Income from fixed asset investments</b>		
Income from other fixed asset investments	-	7,036
Total income	<u>131,727</u>	<u>7,036</u>

## SOLO TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 10 Interest payable and similar expenses

	2020	2019
	£	£
Other interest on financial liabilities	5,072,371	4,955,224
Amortised debt arrangement fee	365,000	123,244
Other interest	6,987,456	-
Total finance costs	<u>12,424,827</u>	<u>5,078,468</u>



**SOLO TOPCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****11 Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,394,226	1,025,061
Adjustments in respect of prior periods	(190,503)	-
<b>Total current tax</b>	<u>1,203,723</u>	<u>1,025,061</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,019,090)	(1,305,074)
Adjustment in respect of prior periods	899,122	35,195
<b>Total deferred tax</b>	<u>(119,968)</u>	<u>(1,269,879)</u>
<b>Total tax charge/(credit)</b>	<u>1,083,755</u>	<u>(244,818)</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loss before taxation	<u>(12,831,056)</u>	<u>(3,219,436)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(2,437,901)	(611,693)
Tax effect of expenses that are not deductible in determining taxable profit	3,682,788	331,151
Adjustments in respect of prior years	(190,522)	35,196
Effect of change in corporation tax rate	27,215	-
Group relief	-	(1)
Deferred tax adjustments in respect of prior years	(557)	(1,095)
Group income	-	(1,337)
Deferred tax not recognised	2,732	2,961
<b>Taxation charge/(credit)</b>	<u>1,083,755</u>	<u>(244,818)</u>

**SOLO TOPCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****12 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>	<b>Patents and licences</b>	<b>Capitalised software</b>	<b>Customer contracts</b>	<b>Brand name</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
At 1 January 2020	59,738,543	-	525,044	47,510,000	5,333,000	113,106,587
Additions	-	2,364	119,829	-	-	122,193
Business combinations	6,466,506	19,526	-	5,974,000	-	12,460,032
Other changes	(218,445)	-	-	-	-	(218,445)
At 31 December 2020	65,986,604	21,890	644,873	53,484,000	5,333,000	125,470,367
<b>Amortisation and impairment</b>						
At 1 January 2020	2,489,106	-	99,394	1,979,583	222,209	4,790,292
Amortisation charged for the year	6,204,012	1,767	59,972	4,914,877	533,300	11,713,928
Business combinations	-	4,506	-	-	-	4,506
At 31 December 2020	8,693,118	6,273	159,366	6,894,460	755,509	16,508,726
<b>Carrying amount</b>						
At 31 December 2020	57,293,486	15,617	485,507	46,589,540	4,577,491	108,961,641
At 31 December 2019	57,249,437	-	425,650	45,530,417	5,110,791	108,316,295

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

# SOLO TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 13 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>							
At 1 January 2020	-	840,753	-	2,474,563	2,925,182	4,360	6,244,858
Additions	-	6,656	-	8,414	266,089	-	281,159
Business combinations	424,000	25,246	69,067	86,875	7,925	62,714	675,827
Disposals	(424,000)	-	-	(2,812)	(6,711)	(34,240)	(467,763)
At 31 December 2020	-	872,655	69,067	2,567,040	3,192,485	32,834	6,734,081
<b>Depreciation and impairment</b>							
At 1 January 2020	-	293,004	-	1,433,487	1,902,763	-	3,629,254
Depreciation charged in the year	-	45,075	5,833	136,103	307,053	170	494,234
Eliminated in respect of disposals	(36,030)	-	-	(792)	(3,581)	(27,442)	(67,845)
Business combinations	36,030	21,349	63,043	50,521	5,717	52,431	229,091
At 31 December 2020	-	359,428	68,876	1,619,319	2,211,952	25,159	4,284,734
<b>Carrying amount</b>							
At 31 December 2020	-	513,227	191	947,721	980,533	7,675	2,449,347
At 31 December 2019	-	547,749	-	1,041,076	1,022,419	4,360	2,615,604

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

**SOLO TOPCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****14 Fixed asset investments**

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	1	1
Unlisted investments		8	8	-	-
		<u>8</u>	<u>8</u>	<u>1</u>	<u>1</u>

**Movements in fixed asset investments  
Group****Investments  
other than  
loans  
£****Cost or valuation**

At 1 January 2020

14,719

Business combinations

1,289

At 31 December 2020

16,008**Impairment**

At 1 January 2020

14,711

Impairment losses

1,289

At 31 December 2020

16,000**Carrying amount**

At 31 December 2020

8

At 31 December 2019

8**Movements in fixed asset investments  
Company****Shares in  
group  
undertakings  
£****Cost or valuation**

At 1 January 2020 and 31 December 2020

1**Carrying amount**

At 31 December 2020

1

At 31 December 2019

1

## SOLO TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Solo Bidco Limited	*1	Holding company	Ordinary	100.00	-
Onecom Group Limited	*1	Holding company	Ordinary	-	100.00
Onecom Limited	*1	Communication and technology providers	Ordinary	-	100.00
Onecom (Southampton) Limited	*2	Communication and technology providers	Ordinary	-	50.00
Glamorgan Telecom Limited	*1	Communication and technology providers	Ordinary	-	100.00
GT Group Services Ltd	*1	Holding company	Ordinary	-	100.00
Cablestream Ltd	*1	Communication and technology providers	Ordinary	-	100.00
Nice Network Ltd	*1	Communication and technology providers	Ordinary	-	100.00

\*1 The registered office of Solo Bidco Limited, Onecom Group Limited, Onecom Limited, Glamorgan Telecom Limited, GT Group Services Ltd, Cablestream Ltd and Nice Network Ltd is Onecom House 4400 Parkway, Whiteley, Fareham, Hampshire, PO15 7FJ.

\*2 The registered office of Onecom (Southampton) Limited is 7 Hedge End Business Centre Botley Road, Hedge End, Southampton, England, SO30 2AU.

#### Audit exemption

The subsidiary companies; Onecom (Southampton) Limited, GT Group Services Ltd, Glamorgan Telecom Limited, Cablestream Ltd and Nice Network Ltd have taken the exemption in section 479A of the Companies Act 2006 (the Act) from the requirement in the Act for their individual accounts to be audited.

## SOLO TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 16 Acquisitions

On 12 August 2020 the group acquired 100% of the issued share capital of GT Group Services Ltd including its 100% subsidiaries, Glamorgan Telecom Limited and Cablestream Ltd for consideration of £9,217,209.

	Book Value £	Adjustments £	Fair Value £
Intangible assets	15,020	4,341,000	4,356,020
Property, plant and equipment	6,234	-	6,234
Goodwill	4,442,556	(4,442,556)	-
Investments	1,289	-	1,289
Inventories	21,336	-	21,336
Trade and other receivables	1,840,165	-	1,840,165
Cash and cash equivalents	2,128,848	-	2,128,848
Borrowings	(150,000)	-	(150,000)
Trade and other payables	(2,728,296)	-	(2,728,296)
Tax liabilities	(105,975)	-	(105,975)
Deferred tax	(222,947)	(824,790)	(1,047,737)
Total identifiable net assets	<u>5,248,230</u>	<u>(926,346)</u>	<u>4,321,884</u>
Goodwill			<u>4,895,325</u>
Total consideration			<u>9,217,209</u>
The consideration was satisfied by:			£
Cash			7,071,321
Contingent consideration			1,800,000
Deal costs			345,888
			<u>9,217,209</u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			1,750,479
Profit after tax			<u>459,515</u>

The contingent consideration is based on the attainment of future earnings in the Glamorgan entities. The directors have estimated amounts payable of £1,800,000 in relation to the Glamorgan entities. No further contingent consideration has been accounted for as the directors have estimated it is not probable that further conditions will be met.

# SOLO TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 16 Acquisitions (Continued)

On 4 November 2020 the group acquired 100% of the issued share capital of Nice Network Ltd for consideration of £3,701,418.

	Book Value £	Adjustments £	Fair Value £
Intangible assets	-	1,633,000	1,633,000
Property, plant and equipment	440,506	-	440,506
Goodwill	20,938	(20,938)	-
Inventories	31,619	16,398	48,017
Trade and other receivables	988,486	336,819	1,325,305
Cash and cash equivalents	1,145,468	-	1,145,468
Trade and other payables	(1,497,482)	(547,262)	(2,044,744)
Tax liabilities	(99,701)	-	(99,701)
Deferred tax	(7,344)	(310,270)	(317,614)
Total identifiable net assets	1,022,490	1,107,747	2,130,237
Goodwill			1,571,181
Total consideration			3,701,418
The consideration was satisfied by:			£
Cash			2,714,000
Deferred consideration			700,000
Deal costs			287,418
			3,701,418
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			579,469
Loss after tax			(151,322)

### 17 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	1,226,077	600,509	-	-

**SOLO TOPCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****18 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	7,811,571	9,961,279	-	-
Corporation tax recoverable	802,382	73,451	-	-
Amounts owed by group undertakings	-	-	54,227,340	53,327,340
Other debtors	27,341,132	21,811,435	15,634	-
Prepayments and accrued income	10,069,647	7,502,215	-	-
	<u>46,024,732</u>	<u>39,348,380</u>	<u>54,242,974</u>	<u>53,327,340</u>
Deferred tax asset (note 23)	2,272	-	-	-
	<u>46,027,004</u>	<u>39,348,380</u>	<u>54,242,974</u>	<u>53,327,340</u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	<u>16,747,689</u>	<u>15,441,066</u>	<u>-</u>	<u>-</u>
<b>Total debtors</b>	<u>62,774,693</u>	<u>54,789,446</u>	<u>54,242,974</u>	<u>53,327,340</u>

**19 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Notes</b>				
Trade creditors	39,885,723	33,400,346	-	-
Amounts owed to group undertakings	-	-	1,192,675	322,243
Corporation tax payable	147,208	-	-	-
Other taxation and social security	6,265,848	2,574,751	3,424	-
Deferred income	994,941	-	-	-
Other creditors	3,604,460	1,079,913	-	-
Accruals and deferred income	16,131,752	5,337,093	10,752,517	2,884,332
	<u>67,029,932</u>	<u>42,392,103</u>	<u>11,948,616</u>	<u>3,206,575</u>



# SOLO TOPCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Other borrowings	21	111,873,609	108,555,673	52,173,609	52,663,824
Other creditors		18,791,000	18,791,000	-	-
		<u>130,664,609</u>	<u>127,346,673</u>	<u>52,173,609</u>	<u>52,663,824</u>

Other borrowings of £111,873,609 (2019 - £108,555,673) are secured by a fixed and floating charge over the groups assets.

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	59,700,000	52,480,742	-	-
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### 21 Borrowings

	Group 2020 £	2019 £	Company 2020 £	2019 £
Other loans	111,873,609	108,555,673	52,173,609	52,663,824
Payable after one year	111,873,609	108,555,673	52,173,609	52,663,824

Other loans of £111,873,609 (2019 - £108,555,673) are secured by a fixed and floating charge over the groups assets.

Other loans of £59,700,000 (2019 - £55,891,849) are repayable in 5 years and interest is payable at 7% + LIBOR for the term of the loan. The remaining balance of loan notes of £52,173,609 (2019 - £52,663,824) are repayable in 7 years and interest is payable at 12% for the term of the loan.

### 22 Provisions for liabilities

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Dilapidations		147,459	147,459	-	-
Deferred tax liabilities	23	9,971,551	8,954,184	-	-
		<u>10,119,010</u>	<u>9,101,643</u>	<u>-</u>	<u>-</u>

**SOLO TOPCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****22 Provisions for liabilities (Continued)**

Movements on provisions apart from deferred tax liabilities:

Group	Dilapidations £
At 1 January 2020 and 31 December 2020	147,459

**23 Deferred taxation**

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

Group	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	255,943	231,495	-	-
Arising on business combinations	9,713,336	8,722,689	-	-
	<u>9,969,279</u>	<u>8,954,184</u>	<u>-</u>	<u>-</u>
<i>Statutory database figures differ from the trial balance:</i>				
Deferred tax balances	9,971,551	8,954,184	2,272	-
Difference	(2,272)	-	(2,272)	-

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
<b>Movements in the year:</b>		
Liability at 1 January 2020	8,954,184	-
Credit to profit or loss	(119,965)	-
Arising on business combinations	1,135,060	-
Liability at 31 December 2020	<u>9,969,279</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

**24 Retirement benefit schemes**

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	<u>429,234</u>	<u>116,552</u>

## SOLO TOPCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 24 Retirement benefit schemes (Continued)

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

#### 25 Share capital

	Group and company	
	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
48,119 Ordinary A shares of 5p each	2,406	2,406
35,246 Ordinary B shares of 10p each	3,525	3,525
921 (2019 - 1,763) Ordinary C shares of 20p each	185	353
7,331 (2019 - 15,000) Ordinary D shares of 20p each	1,466	3,000
	<u>7,582</u>	<u>9,284</u>

On incorporation 1 ordinary share was issued at par. The ordinary share was then subdivided into 5 ordinary C shares of 20p each.

During the prior period, 48,119 ordinary A shares with a nominal value of 5p were issued for cash consideration of £4.16 per share, 35,246 ordinary B shares with a nominal value of 10p per share were issued for cash consideration of £4.16 per share, 1,630 ordinary C shares were issued with a nominal value of 20p per share were issued for cash consideration of £4.16 per share and 13,500 ordinary D shares were issued with a nominal value of 20p per share for cash consideration of £4.19 per share.

During the current year, 842 ordinary C shares were repurchased at £4.16 per share and 7,669 ordinary D shares were redeemed for £4.19 per share.

Shares rank *pari-passu* in all respects, unless an enhanced voting right event occurs in which case the holders of ordinary A shares would be entitled to 75% of all voting rights being cast. The shares are non-redeemable.

#### 26 Reserves

##### Equity reserve

Cumulative profit and loss net of distributions to owners.

##### Share premium reserve

Consideration received for shares issued above their nominal value net of transaction costs.

##### Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

**SOLO TOPCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****27 Cash generated from group operations**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loss for the year after tax	(13,914,811)	(2,974,618)
Adjustments for:		
Taxation charged/(credited)	1,083,755	(244,818)
Finance costs	12,424,827	5,078,468
Investment income	(131,727)	(7,036)
Loss on disposal of tangible fixed assets	117,241	-
Amortisation and impairment of intangible assets	11,713,928	4,727,729
Depreciation and impairment of tangible fixed assets	494,234	175,250
Impairment of investments	1,289	-
(Decrease) in provisions	-	(18,996,390)
Movements in working capital:		
(Increase)/decrease in stocks	(556,215)	322,052
(Increase) in debtors	(4,088,574)	(19,603,264)
Increase in creditors	10,178,439	8,908,598
(Decrease) in deferred income	(94,859)	-
<b>Cash generated from/(absorbed by) operations</b>	<b>17,227,527</b>	<b>(22,614,029)</b>

**28 Analysis of changes in net debt - group**

	<b>1 January 2020 £</b>	<b>Cash flows £</b>	<b>Acquisitions and disposals £</b>	<b>31 December 2020 £</b>
Cash at bank and in hand	10,037,629	2,658,726	3,274,316	15,970,671
Borrowings excluding overdrafts	(108,555,673)	(3,167,936)	(150,000)	(111,873,609)
	<u>(98,518,044)</u>	<u>(509,210)</u>	<u>3,124,316</u>	<u>(95,902,938)</u>

**SOLO TOPCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****29 Operating lease commitments****Lessee**

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

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	534,803	611,691	-	-
Between one and five years	1,132,183	1,754,628	-	-
In over five years	385,896	459,583	-	-
	<u>2,052,882</u>	<u>2,825,902</u>	<u>-</u>	<u>-</u>

**30 Events after the reporting date**

Subsequent to the year end, the group acquired further companies, being the Olive Group companies and the Retail and Partner divisions from 9Group Limited.