

REGISTERED NUMBER 12474659 (ENGLAND AND WALES)

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2022  
FOR  
ECLIPSE (BIDCO) LIMITED**

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**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 30 NOVEMBER 2022**

**DIRECTORS:**

R N H Bailey  
J J E Fletcher  
R Gilbert  
C D Goodman  
V Rishbeth  
C J Wild  
S R Delaney  
T Shelford  
B A Taylor  
C E Friend

**SECRETARY:**

C D Goodman

**REGISTERED OFFICE:**

Focus House  
Ham Road  
Shoreham-by-Sea  
West Sussex  
BN43 6PA

**REGISTERED NUMBER:**

12474659 (England and Wales)

**INDEPENDENT AUDITORS:**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

The Directors present their strategic report for the Group for the year ended 30 November 2022.

**REVIEW OF BUSINESS**

The results contained within these financial statements are for the year ended 30 November 2022. The comparative period is the year ended 30 November 2021.

The reported loss for the period of £23.7m (FY21: £18.3m) is after charging goodwill amortisation of £28.7m (FY21: £26.0m) and interest costs of £12.6m (2021: £7.4m). The amortisation charge is predominately in relation to Goodwill acquired on the purchase of Focus 4 U Ltd in March 2020 and subsequent acquisitions. Due to the distorting effect of these non trading expenses on the Group profitability, EBITDA<sup>1</sup> is deemed to be the key performance measure of profitability. EBITDA was £23.2m in the current year, up 25% vs the prior year.

**REVIEW OF GROUP TRADING**

The principal activities of the Group comprise the provision of Telecoms, IT, Data and Energy solutions to businesses throughout the UK.

In order to enhance comparability of trading performance, the directors have set out the underlying comparative consolidated trading position for all group companies for a 12 month period.

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Turnover	£156.3m	£115.7m	£79.4m	£69.9m
Gross margin	£63.2m	£46.0m	£31.8m	£26.5m
EBITDA <sup>1</sup>	£23.2m	£18.5m	£13.5m	£13.1m
Proforma EBITDA <sup>2</sup>	£30.7m	£24.4m	£18.0m	£15.7m

<sup>1</sup> EBITDA refers to profit before interest, tax, depreciation and amortisation.

<sup>2</sup> Unaudited. Pro forma EBITDA excludes exceptional costs, which are one off non-recurring costs as defined in the company's funding agreement and includes the full year EBITDA of acquisitions after anticipated cost synergies.

Turnover grew 35% against the prior year and an average of 31% over the past three years due to a combination of both strong organic performance and the addition of acquired businesses. EBITDA grew by 25% in 2022 (average 21% over previous 3 years) due to the investment in both systems and capability for future growth and scale.

The Group continues to demonstrate strong growth in contracted gross profit, growing at 13% on an organic basis driven by strong IT Services and SIP/Hosted Voice performance. Customer churn of 5% continues to be below market norms.

**Acquisitions**

In the period the Group acquired the majority share capital of the following businesses:

On 1 March 2022 EVAD Holdings Ltd (formerly Ethos Voice and Data Holdings Ltd)

On 1 June 2022 Lowmoor Road Ltd (the Group formerly held a 50% shareholding)

On 29 July 2022 STL Communications Ltd

On 2 September 2022 Incom-CNS Group Ltd

Further detail on the acquisitions can be found in note 14.

Subsequent to the year end the Group has acquired Zest4 Group HoldCo Ltd and Zest IOT HoldCo Ltd.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**STRATEGIC REPORT - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**REVIEW OF GROUP TRADING - continued**

**Future developments**

The Group will ensure that the overall EBITDA profitability continues to grow at an appropriate level by continuing to invest in people, platforms and technologies to continue the trajectory of organic growth and enable economies of scale to be realised. It will continue to make acquisitions within the Unified Communications sector when there is a strategic benefit in doing so.

**PRINCIPLE RISKS AND UNCERTAINTIES**

The Group's exposure to the impact of wider economic changes is limited by the essential nature of the services it supplies. Customer risk is diversified, with no single customer accounting for more than 3% of group turnover. 74% of gross profit is recurring.

The Group operates in an environment that is continually evolving. The PSTN switch off represents the move to fully digital networks in the UK and although this has represented a risk to traditional call revenue, the Group has benefitted from a corresponding increase in hosted telephony and data and ICT connectivity. The Group has proactively launched "Digital Workplace" to increase product penetration and attract new customers from providers of traditional call only services. The Group continues to be at the forefront of technological transition leading to an expansion in margins, improved customer retention and an increase in average contract length.

The Group continuously reviews and monitors its product portfolio in the context of wider technological and commercial developments in the telecoms, ICT and data markets and considers both threats and opportunities.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principle financial instruments comprise bank loans, cash at bank, trade debtors, trade creditors and amounts owed to group undertakings. These instruments provide working capital and acquisition finance for the business and allow it to continue its growth and the acquisition of strategically complementary businesses.

The Group regularly monitors its financial covenants for its debt and remains within its covenants. The term of the facility is fixed until 2027.

**Credit risk**

Credit risk is attributable to trade debtors; the amounts shown in the financial statements are after bad and doubtful debt provisions. The group has implemented policies to manage the credit risk and require credit checks on potential customers and the use of credit insurance where available. The amount of exposure to any one customer is subject to credit limits which are regularly reviewed by management.

**Liquidity risk**

The Group maintains a mixture of long and short term debt finance that is designed to ensure that the business has sufficient available funds for its operations. The level of available funds is measured and monitored on a regular basis through the use of detailed cash flow forecasts and comparison of forecast to actuals. The Group regularly monitors its financial covenants for its debt and remains within its covenants. The term of the facility is fixed until 2027 and the Group has access to its RCF facility until 2026.

**Interest rate risk**

The Group is exposed to interest rate risk on its banking credit facility. The Group regularly monitors interest rates and hedged the majority of variable interest rate exposure in the year, with the balance hedged post year end through an interest rate cap.

**STRATEGIC REPORT - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**STATEMENT OF ENGAGEMENT WITH OTHER STAKEHOLDERS (in accordance with s172 of the Companies Act 2006)**

During the year the Company engaged with its suppliers, customers and other stakeholders and has regard to their interests, in the following key ways:

**Customers**

The Company aims to treat customers fairly and do business with them in a sustainable way. It consistently strives to exceed its expectations and monitors customer satisfaction and feedback.

**Suppliers**

The Company aims to treat its suppliers fairly and do business with them in a sustainable way. The Company depends on the high standards of our key suppliers in order for it to deliver market-leading products and service and as such the Company ensures that it has regular engagement with critical suppliers.

**Other**

The Company believes in adding value to the community in which it operates, the Company aims to contribute time, skills, and money either directly or through organisations. The Focus Group vision is "Connecting communities and creating opportunities in a place that people love to work" which places the local community at the heart of what we do. The Group works with local initiatives such as Esteem, Dare to Dream and others which are supported through the Group volunteering policy.

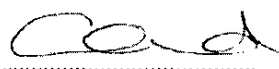
The Company has an Environmental committee which aims to engage all stakeholders to discuss how we can move towards a more sustainable business.

**KEY FINANCIAL PERFORMANCE INDICATORS**

The Group continues to monitor unit economics and profitability with both Customer Churn, Customer Upsell and Downsell and Customer Acquisition. The Group monitors Average Revenue per Customer (ARPU) and Average Margin Per Customer (AMPU). The Group monitors Customer Satisfaction / CSAT score continuously and Employee Satisfaction.

*Financial key performance indicators including revenue, gross profit and EBITDA are detailed within the business review.*

**ON BEHALF OF THE BOARD**



C E Friend - Director

Date: 28 April 2023

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

The Directors present their report with the audited financial statements of the Company and the Group for the year ended 30 November 2022.

**DIVIDENDS**

No dividends were paid in the year ended 30 November 2022 (2021: Enil).

The Directors do not recommend a final dividend.

**DIRECTORS**

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

R Gilbert  
C D Goodman  
V Rishbeth  
R N H Bailey  
J J E Fletcher  
C J Wild  
S R Delaney  
T Shelford  
B A Taylor  
C E Friend- appointed 26 January 2023

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, 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 the financial statements, the directors are required to:

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

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

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**REPORT OF THE DIRECTORS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**BUSINESS REVIEW, FUTURE DEVELOPMENTS AND FINANCIAL RISK MANAGEMENT**

The Group's results, future developments and details of the Group's financial risk management are discussed in the strategic report and in note 29.

**QUALIFYING THIRD-PARTY AND PENSION SCHEME INDEMNITY PROVISIONS**

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the year and up to the date of the approval of these financial statements. Directors' and officers' liability insurance has been purchased by Focus 4 U Ltd. The insurance does not provide cover in the event that the director is proved to have acted fraudulently. Indemnity insurance is *maintained for the Company's directors and officers against liability in respect of proceedings brought by third parties*, subject to the terms and conditions of the Companies Act 2006.

**RESEARCH AND DEVELOPMENT**

The group undertakes research and development activities being that of custom software for use in the operations of the business and for customers.

**EMPLOYEES**

It is Group policy to employ individuals with the necessary qualifications and experience without regard to age, disability, gender reassignment, race, religion or beliefs, sex, sexual orientation, marriage or civil partnership, and pregnancy or maternity. *Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.* Appropriate arrangements are made for the continued employment and training, career development and promotion should a person become disabled whilst employed by the Group.

**EMPLOYEE ENGAGEMENT STATEMENT**

Employee engagement and communication has remained a priority and activity to continuously improve satisfaction has continued at all levels, with the aim of ensuring that employees views are taken in to account when decisions are made that are likely to affect their interest and that all employees are aware of the financial performance of the business and the company as a whole.

The Directors are committed to maintaining and developing communication and consultation processes with employees, who in turn are encouraged to develop an awareness of the issues affecting the Group.

The Directors were delighted that Focus was named as one of 'The UK's Best 100 Companies to Work for 2022'. We were also nominated for a 'Learning initiative of the year for 2022' for our Talent Management Program at the British HR Awards.

Employee engagement is measured through an annual engagement survey which takes place in the summer each year. The survey asks questions that deep dive into what employees like about working at the Group so we can continue the right path but also asks for any improvements and suggestions. This feedback is then anonymised and separated by business area to be shared with the Board and managers across the Group.

Employee wellbeing is supported through a dedicated "Be Well" team which has launched a hybrid working policy, dedicated weeks to focus on topics like nutrition and hydration as well as various fitness-focused activities such as walking challenges. As part of the internal intranet site, employees have access to a Wellbeing Centre to provide education, support and tools for employees.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**REPORT OF THE DIRECTORS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**EMPLOYEE ENGAGEMENT STATEMENT - continued**

Alongside "Be Well", we also have three other "Be Communities". "Be Inclusive" which focuses on creating a working environment where employees feel that they can bring their 'whole self' to work, "Be Giving" which focuses on how we can make a real difference in our communities and also support local charities and "Be sustainable" which looks for innovative ways we can become more environmentally responsible. Employees can volunteer to join any of the "Be Communities" who meet once every month virtually. Examples of initiatives and events that have been developed from the communities include LGBTQ+ month, Ramadan awareness, The Big charity quiz and launching a salary sacrifice EV scheme.

Employee recognition is promoted through an internal reward system which encourages peer to peer appreciation via financial reward. Internal development is championed through Talent Management Programmes. The second round of an employee share scheme was launched in October 2022 and as with the first scheme saw high levels of engagement.

In November 2022 the entire Group workforce celebrated both the Group and individual successes as part of a "One Celebration" event in Brighton.

Employees of the Group can contribute to Focus Foundation, the philanthropic arm of Focus Group which was established in 2021 to support UK based charities and social enterprises.

**STREAMLINED ENERGY AND CARBON REPORTING**

The data included below was prepared by the Group.

Our SECR disclosure presents our carbon footprint across Scopes 1, 2 and 3, together with an appropriate intensity metric, our total energy use of electricity and gas, and our fuel consumption.

	<b>2022</b>	<b>2021</b>
Total Scope 1 emissions (kgCO <sub>2</sub> e)	520,984	227,220
Total Scope 2 emissions (kgCO <sub>2</sub> e)	470,296	462,410
Total Scope 3 emissions (kgCO <sub>2</sub> e)	-	-
Carbon intensity ratio (kgCO <sub>2</sub> e/FTE)	1,464	1,223
Total energy use (kWh of electricity and gas)	2,560,560	2,006,645
Total fuel (litres)	206,969	92,016

We have used <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022> for our factor source.

The intensity ratio picked was the number of staff working in the business as this is the main driver of emissions.

The Group carbon intensity ratio increased compared to the prior year as the Group continued to expand, leading to a higher level of property and vehicle use. In May 2022 Focus Group announced an ambition to achieve carbon neutrality. The Group will partner with Auditel to commence the journey towards Net Zero. An employee salary sacrifice scheme to access electric vehicles was launched in the year.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**REPORT OF THE DIRECTORS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS**

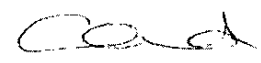
In the case of each director in office at the date the directors report is approved:

- So far as the directors are aware, there is no relevant audit information of which the group's independent auditors are unaware, and;
- Each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's independent auditors are aware of that information.

**INDEPENDENT AUDITORS**

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
C E Friend - Director

Date: 28 April 2023

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECLIPSE (BIDCO) LIMITED  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

In our opinion, Eclipse (Bidco) Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 November 2022 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

*We have audited the financial statements, included within the Annual Report, which comprise: the consolidated and company balance sheets as at 30 November 2022; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.*

**Basis for opinion**

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

**Independence**

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

**Conclusions relating to going concern**

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

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

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

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

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECLIPSE (BIDCO) LIMITED  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Reporting on other information - continued**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

**Strategic report and the Report of the Directors**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Report of the directors for the year ended 30 November 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Report of the directors.

**Responsibilities for the financial statements and the audit**

**Responsibilities of the directors for the financial statements**

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

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

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECLIPSE (BIDCO) LIMITED  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Auditors' responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection and ofcom regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and UK Tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase reported revenue or reduce reported expenditure, and application of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Directors and management to identify any instances of non-compliance with laws and regulations, including consideration of known or suspected instances of fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Reading key correspondence with regulatory authorities;
- Reviewing minutes of meetings of those charged with governance;
- Obtaining and understanding the results of whistleblowing procedures and any related investigations; and
- Challenging and testing assumptions and judgements made by management in respect of significant accounting estimates to assess for evidence of management bias, and obtaining appropriate audit evidence.

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

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

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECLIPSE (BIDCO) LIMITED  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Use of this report**

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


**Other required reporting**

**Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



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

28 April 2023

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>	5	156,345,315	115,679,576
Cost of sales		(93,165,225)	(69,647,837)
<b>GROSS PROFIT</b>		63,180,090	46,031,739
Administrative expenses		(73,421,469)	(57,039,546)
		(10,241,379)	(11,007,807)
Other operating income		1,133,192	831,370
<b>OPERATING LOSS</b>	6	(9,108,187)	(10,176,437)
Interest receivable and similar income	9	1,379,060	513
Interest payable and similar expenses	9	(12,638,070)	(7,379,886)
<b>LOSS BEFORE TAX</b>		(20,367,197)	(17,555,810)
Tax charge on Loss	10	(3,339,280)	(742,356)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(23,706,477)	(18,298,166)
(Loss)/ Profit attributable to:			
Owners of the parent		(24,465,994)	(18,564,690)
Non-controlling interests		759,517	266,524

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

	2022 £	2021 £
<b>LOSS FOR THE FINANCIAL YEAR</b>	(23,706,477)	(18,298,166)
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>	(23,706,477)	(18,298,166)
Total comprehensive (expense)/ income attributable to:		
Owners of the parent	(24,465,994)	(18,564,690)
Non-controlling interests	759,517	266,524

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)****CONSOLIDATED BALANCE SHEET  
AS AT 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	11	247,686,358	237,451,368
Tangible assets	12	3,921,906	3,085,600
Investments	13	-	2,874,811
		<u>251,608,264</u>	<u>243,411,779</u>
<b>CURRENT ASSETS</b>			
Stocks	15	1,806,992	958,255
Debtors	16	33,088,753	26,269,869
Cash at bank and in hand	2	9,842,063	7,668,083
		<u>44,737,808</u>	<u>34,896,207</u>
<b>CREDITORS:</b>			
Amounts falling due within one year	17	(198,640,593)	(192,513,135)
<b>NET CURRENT LIABILITIES</b>		<u>(153,902,785)</u>	<u>(157,616,928)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		97,705,479	85,794,851
<b>CREDITORS:</b>			
Amounts falling due after more than one year	18	(151,096,889)	(115,867,131)
<b>NET LIABILITIES</b>		<u>(53,391,410)</u>	<u>(30,072,280)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	25	1	1
Non-controlling interest	26	2,075,061	1,132,124
Accumulated losses	26	(55,466,472)	(31,204,405)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		<u>(53,391,410)</u>	<u>(30,072,280)</u>

The notes on pages 20 to 44 are an integral part to these financial statements.

The financial statements on pages 14 to 44 were approved by the Board of Directors on 28 April 2023 and were signed on its behalf by:



.....  
C E Friend - Director

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**  
**COMPANY BALANCE SHEET**  
**AS AT 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Investments	13	224,666,206	224,666,206
		<u>224,666,206</u>	<u>224,666,206</u>
<b>CURRENT ASSETS</b>			
Debtors	16	71,840,022	47,187,825
		<u>71,840,022</u>	<u>47,187,825</u>
<b>CREDITORS:</b>			
Amounts falling due within one year	17	(167,792,618)	(167,209,416)
<b>NET CURRENT LIABILITIES</b>		<u>(95,952,596)</u>	<u>(120,021,591)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		128,713,610	104,644,615
<b>CREDITORS:</b>			
Amounts falling due after more than one year	18	(151,028,889)	(115,657,937)
<b>NET LIABILITIES</b>		<u>(22,315,279)</u>	<u>(11,013,322)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	25	1	1
Accumulated losses	26	(22,315,280)	(11,013,323)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		<u>(22,315,279)</u>	<u>(11,013,322)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £11,301,957.

The notes on pages 20 to 44 are an integral part to these financial statements.

The financial statements on pages 14 to 44 were approved by the Board of Directors on 28 April 2023 and were signed on its behalf by:



.....  
C E Friend- Director

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Called up share capital £	Accumulated losses £	Accumulated profit for non controlling interests £	Total equity £
<b>Balance at 30 Nov 2020</b>	1	(12,639,715)	-	(12,639,714)
<b>Changes in equity</b>				
Acquisition of non-controlling interest	-	-	445,600	445,600
Total comprehensive (expense)/income	-	(18,564,690)	266,524	(18,298,166)
Shares issued to non-controlling interest in subsidiary	-	-	420,000	420,000
<b>Balance at 30 November 2021</b>	<u>1</u>	<u>(31,204,405)</u>	<u>1,132,124</u>	<u>(30,072,280)</u>
<b>Balance at 1 December 2021</b>	1	(31,204,405)	1,132,124	(30,072,280)
<b>Changes in equity</b>				
Total comprehensive (expense)/income	-	(24,465,994)	759,517	(23,706,477)
Acquisition of non-controlling interest	-	-	183,420	183,420
Share based payment charge		203,926		203,926
<b>Balance at 30 November 2022</b>	<u>1</u>	<u>(55,466,473)</u>	<u>2,075,061</u>	<u>(53,391,411)</u>

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Called up share capital £	Accumulated losses £	Total equity £
<b>Balance at 30 November 2020</b>	1	(3,801,922)	(3,801,921)
<b>Changes in equity</b>			
Total comprehensive expense	-	(7,211,401)	(7,211,401)
<b>Balance at 30 November 2021</b>	<u>1</u>	<u>(11,013,323)</u>	<u>(11,013,322)</u>
<b>Balance at 1 December 2021</b>	1	(11,013,323)	(11,013,322)
<b>Changes in equity</b>			
Issue of share capital	-	-	-
Total comprehensive expense	-	(11,301,957)	(11,301,957)
<b>Balance at 30 November 2022</b>	<u>1</u>	<u>(22,315,280)</u>	<u>(22,315,279)</u>

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	15,385,034	15,788,702
Interest paid		(10,344,428)	(7,209,941)
Tax paid		(310,422)	(1,930,835)
<b>Net cash generated from operating activities</b>		<b>4,730,184</b>	<b>6,647,926</b>
<b>Cash flows from investing activities</b>			
Purchase of Subsidiaries net of cash	14	(31,259,916)	(49,906,893)
Purchase of intangible fixed assets		(5,100,257)	(2,926,609)
Purchase of tangible fixed assets		(802,987)	(592,489)
Proceeds from disposals of tangible assets		-	3,817
Purchase of investments		-	-
Interest received		8,442	513
<b>Net cash used in investing activities</b>		<b>(37,154,718)</b>	<b>(53,421,661)</b>
<b>Cash flows from financing activities</b>			
New loans in year		34,738,939	52,414,186
Loan repayments in year		(140,425)	(6,132,889)
Directors' loan account		-	-
Share issued to non-controlling interest		-	420,000
<b>Net cash generated from financing activities</b>		<b>34,598,514</b>	<b>46,701,297</b>
<b>Increase/ (Decrease) in cash and cash equivalents</b>		<b>2,173,980</b>	<b>(72,438)</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>7,668,083</b>	<b>7,740,521</b>
<b>Cash and cash equivalents at end of year</b>	2	<b>9,842,063</b>	<b>7,668,083</b>

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2022****1 RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Loss before taxation	(20,367,197)	(17,555,810)
Depreciation and amortisation charges	32,300,220	28,767,520
Loss on disposal of fixed assets	47,561	154,974
Share based payments	203,926	-
Interest payable and similar expenses	12,638,070	7,379,886
Interest receivable and similar income	(8,442)	(513)
	<hr/>	<hr/>
	24,814,138	18,746,057
(Increase) / Decrease in stocks	(510,905)	121,727
Decrease/(Increase) in trade and other debtors	(3,998,391)	(8,827,977)
(Decrease)/Increase in trade and other creditors	(4,919,808)	5,748,894
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>15,385,034</b>	<b>15,788,702</b>

**2 CASH AT BANK AND IN HAND**

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of the following Balance Sheet amounts:

	2022	2021
	£	£
Cash and cash equivalents	9,842,063	7,668,083

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**3 STATUTORY INFORMATION**

Eclipse (BidCo) Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office can be found on the Company Information page.

The presentational currency of the financial statements is in Pound Sterling (£).

**4 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These consolidated and separate financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (March 2018)" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and modified by the recognition of certain financial assets and liabilities measured at fair value.

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates made up to 30 November.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The accounting policies of subsidiaries are aligned to the accounting policies of the Group on acquisition and if necessary, adjustments are made to the opening balances of the subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting. Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively (deemed to be the date of acquisition).

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the Group control is accounted for as a business combination. Thereafter where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**4 ACCOUNTING POLICIES - continued**

For the year ending 30 November 2022 the subsidiaries of Eclipse (BidCo) Limited were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Rainbow Telecom Ltd (04371499), Focus Integration Solutions Limited (08304735), System Finance Limited (09104560), Calibre Telecoms Limited (04136847), Calibre Networks Limited (04628107), IT First Limited (03222864), Crowthorne Associates Limited (03128187), Cerrig Solutions Limited (11059376), Longpath Limited (06538435), Sprint Limited (03416118), CityTalk Communications Limited (06231416), SiPP Telecoms Limited (09443189), Welcome Telecom Limited (03676479), Infosec Cloud Limited (06035236), NonStop IT Limited (02965872), GLG Telecom Limited (SC466621), Resource Utility Solutions Ltd (SC497133), Resource Network Solutions Ltd (SC353204), Resource Mobile Solutions (SC360575), Resource Telecom Ltd (SC191363), Resource Telecoms Group Ltd (SC433930), Resource Business Solutions Ltd (SC439596), Resource ICT Solutions Ltd (SC481317) H N T BidCo Limited (13207430), H N T Holdings Limited (13203040), Highland Network Limited (SC154414), GB Technologies Holdings Limited (SC565091), GB Technologies Limited (SC194770), Chief BidCo Limited (13148419), South West Communications Group Holdings Limited (05638837), South West Communications Group Limited (01863384), SWC Cloud Services Limited (02561250), SWComms - Energy Limited (11470344), Taurus Clearer Communications Ltd (01894365), Spirit Bidco Limited (13722697), Evad Holdings Limited (06965702), Evad Think Unified Limited (06997995), On Line Systems (Northern) Limited (02709011), On Line Systems (Maintenance) Limited (03492773), Purfield Solutions Limited (04583961), Lowmoor Road Limited (09353941), On Line Systems Midco Limited (14104794), STL Communications Limited (03234302), Incom Business Systems Limited (02437211), Incom-CNS Group Limited (04928500) and Incom-CNS Wales Limited (11470869) have claimed the above audit exemption.

The members have not required the company to obtain an audit of the subsidiary's financial statements for the year in question in accordance with section 476. The directors acknowledge their responsibility for complying with the requirements of the act with respect to accounting records and the preparation of financial statements.

The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**4 ACCOUNTING POLICIES - continued**

**Going concern**

Given the net current liabilities position the Directors have obtained a letter of support from its intermediate parent company Eclipse Midco 1 Limited. In order to assess the ability and intent of the Company to provide the necessary support, the directors have considered relevant Group wide information, including cash position and access to liquidity, annual budgets and forecast future cash flows in a both a base case and a reasonable but plausible downside. This analysis covers a period of at least 12 months from the date of signing and therefore, having reviewed this information and made suitable inquiries of the Group directors and shareholders, the directors believe it is appropriate to support the going concern basis.

**Critical judgements and estimation uncertainty**

In the determination and application of the Group's accounting policies, management are required to make judgements and make use of estimates and assumptions. The use of estimates within these financial statements means that, by definition, certain financial line items seldom equal the related actual results.

The critical judgements made by management and the significant sources of estimation uncertainty are addressed below.

**Acquisition accounting**

During the period the group has affected a number of business combinations. When a business combination occurs management is required to make judgements surrounding the date of control as well as make judgements and estimates associated with *consideration transferred and the fair value of net assets acquired*. Management have calculated the fair value of any assets and liabilities that are not recognised in the books, arising on acquisition. Management have determined the fair value of consideration where it is contingent on future outcomes or has been made by means other than cash, which requires significant estimation and judgement.

In some cases, consideration for the business combinations affected include amounts that are contingent on future events. Management have made assumptions and estimates over future performance of the acquisitions in order to estimate the fair value of total consideration payable. Further details have been provided in note 14.

In determining the fair value of assets acquired in each business combination, management have identified fair value adjustments. Note 14 provides further details of assets acquired and the fair value adjustments identified.

**Policies**

*Below is a summary of significant accounting policies. These policies have been consistently applied to all the years/ periods presented, unless otherwise stated.*

**Turnover**

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods or services; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity. Specific criteria relating to each of the Group's sales channels are follows.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

**4 ACCOUNTING POLICIES - continued**

**Turnover - continued**

**Services**

The Group generates revenue from the provision of services such as line rental, maintenance and call charges. Revenue is recognised as the service is delivered at the point the customer receives the benefits and the Group is entitled to consideration. Turnover represents gross sale value of goods and services net of VAT.

**Equipment and installation**

The Group generates revenue from the provision of telephony equipment and installation services. Revenue is recognised on delivery of the goods and completion of the installation. Turnover represents gross sale value of goods and services net of VAT.

**Commission**

The Group acts as an agent for the provision of some mobile and energy deals. Revenue is the commission due and is recognised at the point the Group has no ongoing obligation.

**Rebates**

Rebates from suppliers are deducted from cost of sales and are recognised in accordance with the terms of the contracts for the individual suppliers. They are included in the year in which the initial supplier purchase is made to the extent that legal entitlement to the rebate has been established and a reliable estimate can be made. Where no reliable estimate can be made the rebates are accounted for on a cash basis.

**Business combinations and goodwill**

Business combinations are accounted for by applying the purchase method.

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

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

Goodwill is being amortised evenly over its estimated useful life of 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the Income Statement. Reversals of impairment are recognised when the reasons for impairment no longer apply.

**Intangible assets**

**Horizon licences**

Horizon cloud-based telephony licences are initially measured at cost. After initial recognition, these intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Horizon licences are being amortised over their estimated useful life of 5 years.

**Other intangibles**

Other intangibles are initially measured at cost. After initial recognition, these intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Other intangibles include customer bases and software development.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

**4 ACCOUNTING POLICIES - continued**

**Intangible assets - continued**

Software development costs are capitalised when they are directly attributable to the design and testing of identifiable and unique software products controlled by the Group and recognised as intangible assets *when the following criteria are met:*

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

The estimated useful lives range as follows:

Goodwill	- over 10 years
Customer database	- over 10 years
Horizon licences	- over 5 years
Software development	- Not amortised until ready for use

**Research and development**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**Tangible fixed assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is shorter.

Long leasehold	- over term of lease
Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment	- 25% straight line

**Impairment of non financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit). If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the consolidated income statement.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**4 ACCOUNTING POLICIES - continued**

**Taxation - continued**

*Current or deferred taxation assets and liabilities are not discounted.*

Current tax is recognised at the amount of tax payable using the rates and laws that have been enacted or subsequently enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in the tax assessments in periods different to those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or subsequently enacted by the year end and that are expected to apply to the reversal of timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Provisions**

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

**Hire purchase and leasing commitments**

*Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.*

The interest element of these obligations is charged to the income statement over the relevant period. The present value of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

**Operating leases**

*Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.*

**Investments**

Investment in a subsidiary company is held at cost less accumulated impairment losses.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, and deposits. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**4 ACCOUNTING POLICIES - continued**

**Share based payments**

The Group provides share-based payment arrangements to certain employees. Equity-settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Both CSOP and SAYE schemes are accounted for as equity settled schemes as options exist over parent company shares with a subsidiary company (Focus 4 U Ltd) receiving the employee services. No recharge is made to individual entities in the group as it is not possible to apportion these costs across entities.

**Interest payable and receivable**

Interest payable is charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Interest received is recognised on a cash basis and is credited to the profit and loss.

**Financial instruments**

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The company only enters in to basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivables and payable, loans from banks and other third parties, and loans to related parties.

Debt instruments that are payable or receivable within one year, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received; other debt instruments are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method.

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

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

**Other operating income**

Other operating income relates to research and development expenditure credits and other sundry income receivable in the period.

Government grants and other assistance is recognised on an accruals basis. Grants received relate only to revenue and expenditure items therefore have been recognised in line with the related costs. Grants include the Job Retention Scheme grants which have been recognised within other operating income.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022****5 TURNOVER**

	2022	2021
	£	£
By geography and destination:		
United Kingdom	156,345,315	115,679,576
	<u>156,345,315</u>	<u>115,679,576</u>

**6 OPERATING LOSS**

Operating loss is stated after charging:	2022	2021
	£	£
Operating lease charges	838,261	639,945
Depreciation of owned assets	694,856	664,636
Loss on disposal of fixed assets	47,561	154,974
Goodwill amortisation	28,685,512	25,972,258
Customer database amortisation	279,200	282,721
Horizon licences amortisation	1,989,073	1,679,778
Other intangible amortisation	651,579	168,127
Independent auditors' remuneration		
- Audit fees	69,000	27,500
- Audit fees for subsidiaries	121,000	82,500
- Non-audit fees	192,170	328,984

Non audit fees of £22,350 were charged in connection with tax compliance work and £169,820 in connection with other services, which include acquisition related due diligence and tax advisory.

**7 EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Group		
Wages and salaries	31,586,887	24,589,288
Social security costs	4,084,832	2,518,298
Other pension costs	441,403	427,382
	<u>36,113,122</u>	<u>27,534,968</u>

During the year the group claimed furlough of £nil (2021: £69,201) this is included in other operating income.

The average number of employees during the year, calculated on a full time equivalent basis, was as follows:

	2022	2021
	No.	No.
Sales	193	161
Service and Support	120	100
Operations	364	292
Other	1	0
	<u>678</u>	<u>553</u>

	2022	2021
	£	£
Company		
Wages and salaries	-	-
Social security cost	-	-
Other pension costs	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

## 7 EMPLOYEES AND DIRECTORS (continued)

The average number of employees during the year, calculated on a full time equivalent basis, was as follows:

2022	2021
No.	No.
-	-

The number of directors at the year end amounted to 9 (2021: 9).

Directors of the Company are employed and paid by Focus 4 U Ltd. Their remuneration for services to the Group is borne by Focus 4 U Ltd and no recharge is made to the Company. It is not possible to apportion these costs across individual entities in the Group.

The directors are also key management personnel.

	2022	2021
	£	£
Directors' remuneration	832,407	538,651
Directors' pension contributions to money purchase schemes	14,719	9,055

Post employment benefits are accruing to 5 (2021: 4) directors under a defined contribution scheme.

Directors share options exercised in the year were nil (2021: nil)

Information regarding the highest paid director for the year ended 30 November is as follows:

	2022	2021
	£	£
Directors' remuneration	300,760	202,640

## 8 SHARE BASED PAYMENTS

## CSOP Scheme

Certain employees participate in the key-employee share option scheme which provides additional incentive for those employees who are key to the operations of the group. The options are granted with an exercise price equalling the nominal value of the shares and are exercisable at the earlier of three years or a liquidity event and expire ten years after the date of grant. No options were exercisable at the end of the year. Employees are not entitled to dividends. Vesting of the options is subject to CSOP scheme leaver provisions.

	2022	2022	2021	2021
	No.	Weighted average exercise price £	No.	Weighted average exercise price £
Outstanding at 1 December	31,634	-	-	-
Share options granted	83,334	1	31,634	1
Share options forfeited	-	-	-	-
Outstanding at 30 November	114,968	1	31,634	1

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**8 SHARE BASED PAYMENTS - continued**

**SAYE Scheme**

Employees across the Group were offered the opportunity to invest in a 3-year Save As You Earn equity scheme. The options are granted with an exercise price of £42, are exercisable at the earlier of three years or a liquidity event and expire ten years after the date of grant. No options were exercisable at the end of the year. Employees are not entitled to dividends. Vesting of the options is subject to SAYE scheme leaver provisions.

	2022	2022	2021	2021
	No.	Weighted average exercise price £	No.	Weighted average exercise price £
Outstanding at 1 December	23,469	42	-	-
Share options granted	14,335	42	24,669	42
Share options forfeited	-	42	(1,200)	42
Outstanding at 30 November	37,804	42	23,469	42

**Valuation methodology**

The group is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Monte-Carlo simulation model. The model is internationally recognised as being appropriate to value employee share schemes similar to the All-employee and Key-employee schemes.

**9 INTEREST PAYABLE AND RECEIVABLE**

	2022 £	2021 £
Bank loan interest	12,638,070	7,379,886
Interest payable	12,638,070	7,379,886
Bank interest receivable	8,442	513
Fair value movement on financial instrument	1,370,618	-
Interest receivable	1,379,060	513

**10 TAX ON LOSS**

**Analysis of the tax charge**

The tax charge for the loss for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	2,155,261	1,895,000
Adjustment in respect of prior year	(24,928)	(549,529)
	2,130,333	1,345,471
Deferred tax as a result of;		
Timing differences	(80,867)	(46,294)
Adjustment in respect of prior period	1,315,351	-
Changes in tax rates	(25,537)	(175,929)
Losses carried forward	-	(380,892)
	1,208,947	(603,115)
Tax on loss	3,339,280	742,356

The tax charge for the year is lower than the standard rate of corporation tax in the UK of 19%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

## 10 TAX ON LOSS - continued

	2022 £	2021 £
Profit (Loss) before taxation	(20,367,197)	(17,555,810)
Expected tax based on standard rate of corporation tax in the UK (19%)	(3,869,767)	(3,335,604)
Expenses not deductible in determining taxable profits	5,944,161	4,803,418
Tax rate changes	(25,537)	(175,929)
Transfer pricing adjustments	(3,134,750)	-
Effects from group relief	3,134,750	-
Adjustment from previous periods	1,290,423	(549,529)
Tax for the year	3,339,280	742,356

The directors have considered the deferred tax assets and liabilities and conclude that it is not possible to state the estimated assets and liabilities which will reverse within the next 12 months. This is due to the level of reversal being dependant on events which are not yet known.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. An estimate of the immediate financial impact cannot readily be made due to uncertainty over the timing of the reversal of temporary differences; it is however likely that the overall effect of the change will be to increase the group's future tax charge.

At 30 November 2022 the Group had unrelieved interest deductions of £6,264,060 (2021: £4,651,580) for which no deferred tax asset has been recognised. The deferred tax arising on these interest deductions would be £1,566,015 (2021: £1,162,895), calculated by applying a tax rate of 25%. The Group does not expect to generate sufficient taxable profits in the short term to benefit from the interest deductions and has therefore not recognised a deferred tax asset.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**11 INTANGIBLE ASSETS**

*Group*

	Goodwill £	Customer database £	Horizon licences £	Other intangibles £	Totals £
<b>COST</b>					
At 1 December 2021	272,353,020	2,686,661	9,911,167	1,876,310	286,827,158
Acquired in business combinations	-	-	1,220,957	-	1,220,957
Additions	35,519,141	480,932	2,450,035	2,169,290	40,619,398
At 30 November 2022	<u>307,872,161</u>	<u>3,167,593</u>	<u>13,582,159</u>	<u>4,045,600</u>	<u>328,667,513</u>
<b>ACCUMULATED AMORTISATION</b>					
At 1 December 2021	43,343,416	798,692	5,065,556	168,127	49,375,791
Charge for year	28,685,512	279,200	1,989,073	651,579	31,605,364
At 30 November 2022	<u>72,028,928</u>	<u>1,077,892</u>	<u>7,054,629</u>	<u>819,706</u>	<u>80,981,155</u>
<b>NET BOOK VALUE</b>					
At 30 November 2022	<u>235,843,233</u>	<u>2,089,701</u>	<u>6,527,530</u>	<u>3,225,894</u>	<u>247,686,358</u>
At 1 December 2021	<u>229,009,604</u>	<u>1,887,969</u>	<u>4,845,611</u>	<u>1,708,183</u>	<u>237,451,370</u>

Amortisation is recognised within administrative expenses in the income statement.

The company has no intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

## 12 TANGIBLE ASSETS

Group	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>						
At 1 December 2021	1,166,903	268,314	579,075	693,494	1,699,274	4,407,060
Acquired in business combinations	290,057	63,136	111,976	175,855	134,712	775,736
Additions	85,261	119,600	43,350	131,043	423,733	802,987
Disposals	(8,502)	(55,703)	(140,859)	(78,349)	(295,816)	(579,229)
At 30 November 2022	1,533,719	395,347	593,542	922,043	1,961,903	5,406,554
<b>ACCUMULATED DEPRECIATION</b>						
At 1 December 2021	123,629	132,573	225,479	207,756	632,023	1,321,460
Charge for year	64,683	34,710	136,497	88,156	370,810	694,856
Eliminated on disposal	(4,960)	(55,302)	(130,560)	(78,611)	(262,235)	(531,668)
At 30 November 2022	183,352	111,981	231,416	217,301	740,598	1,484,648
<b>NET BOOK VALUE</b>						
At 30 November 2022	1,350,367	283,366	362,126	704,742	1,221,305	3,921,906
At 1 December 2021	1,043,274	135,741	353,596	485,739	1,067,250	3,085,600

Depreciation is recognised within administration expenses in the income statement.

The company has no tangible assets.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

**13 INVESTMENTS**

<b>Group</b>	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1 December 2021	2,874,811
Additions	341,552
Disposals	(3,216,363)
At 30 November 2022	-
<b>NET BOOK VALUE</b>	
At 30 November 2022	-
At 1 December 2021	2,874,811

The additions and disposals of investment relate to the step acquisition of Lowmoor Road Ltd Group. Further details are disclosed in note 14

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1 December 2021	224,666,206
Additions	-
Impairment	-
At 30 November 2022	224,666,206
<b>NET BOOK VALUE</b>	
At 30 November 2022	224,666,206
At 1 December 2021	224,666,206

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following subsidiaries:

<b>Name of undertaking</b>	<b>Registered office</b>	<b>Nature of business</b>	<b>Class of shares held</b>	<b>% Held</b>	
				<b>Direct</b>	<b>Indirect</b>
Focus 4 U Ltd	Note (a)	Telecommunications	Ordinary	100	-
Rainbow Telecom Ltd	Note (a)	Telecommunications	Ordinary	-	100
Focus Integration Solutions Limited	Note (a)	Other information technology	Ordinary	-	100
System Finance Limited	Note (a)	Other telecommunications	Ordinary	-	100
Calibre Telecoms Limited	Note (a)	Other telecommunications	Ordinary	-	100
Calibre Networks Limited	Note (a)	Other telecommunications	Ordinary	-	100
IT First Limited	Note (a)	Other information service	Ordinary	-	100
Crowthorne Associates Limited	Note (a)	Telecommunications	Ordinary	-	100
Cerrig Solutions Limited	Note (a)	Telecommunications	Ordinary	-	100
Longpath Limited	Note (a)	Telecommunications	Ordinary	-	100
Sprint Limited	Note (a)	Telecommunications	Ordinary	-	100
CityTalk Communications Limited	Note (a)	Telecommunications	Ordinary	-	100
SIPP Telecoms Limited	Note (a)	Telecommunications	Ordinary	-	100
InfoSec Cloud Limited	Note (a)	Telecommunications	Ordinary	-	100
NonStop IT Limited	Note (a)	Telecommunications	Ordinary	-	100
Welcome Telecom Limited	Note (a)	Telecommunications	Ordinary	-	100
GLG Telecom Limited	Note (b)	Telecommunications	Ordinary	-	100
Resource Utility Solutions Ltd	Note (b)	Other information technology	Ordinary	-	100
Resource Network Solutions Ltd	Note (b)	Telecommunications	Ordinary	-	100
Resouce Mobile Solutions Ltd	Note (b)	Telecommunications	Ordinary	-	100

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

**13 INVESTMENTS - continued**

Resource Telecom Ltd	Note (b)	Telecommunications	Ordinary	-	100
Resource Telecom Group Ltd	Note (b)	Telecommunications	Ordinary	-	100
Resource Business Solutions Ltd	Note (b)	Other information technology	Ordinary	-	100
Resource ICT Solutions Ltd	Note (b)	Other information technology	Ordinary	-	100
H N T BidCo Limited	Note (a)	Other telecommunications	Ordinary	-	73
H N T Holdings Limited	Note (a)	Other telecommunications	Ordinary	-	73
Highland Network Limited	Note (d)	Telecommunications	Ordinary	-	73
GB Technologies Holdings Limited	Note (a)	Other telecommunications	Ordinary	-	100
GB Technologies Limited	Note (a)	Telecommunications	Ordinary	-	100
Chief BidCo Limited	Note (a)	Other telecommunications	Ordinary	-	94
South West Communications Group Holdings Limited	Note (a)	Telecommunications	Ordinary	-	94
South West Communications Group Limited	Note (a)	Telecommunications	Ordinary	-	94
SWC Cloud Services Limited	Note (a)	Other telecommunications	Ordinary	-	94
SWComms - Energy Limited	Note (a)	Environmental consulting	Ordinary	-	94
Taurus Clearer Communications Ltd	Note (a)	Telecommunications	Ordinary	-	94
* Evad Holdings Limited	Note (a)	Other telecommunications	Ordinary	-	90
* Evad Think Unified Limited	Note (a)	Other telecommunications	Ordinary	-	90
* Lowmoor Road Limited	Note (c)	Other telecommunications	Ordinary	-	70
* On Line Systems Midco Limited	Note (c)	Other telecommunications	Ordinary	-	70
* On Line Systems (Northern) Limited	Note (c)	Telecommunications	Ordinary	-	70
* On Line Systems (Maintenance) Limited	Note (c)	Telecommunications	Ordinary	-	70
* Purfield Solutions Limited	Note (c)	Telecommunications	Ordinary	-	70
* USL Communications Ltd	Note (c)	Telecommunications	Ordinary	-	70
* STL Communications Limited	Note (a)	Telecommunications	Ordinary	-	100
* Incom-CNS Group Limited	Note (a)	Telecommunications	Ordinary	-	100
* Incom-CNS Wales Limited	Note (a)	Telecommunications	Ordinary	-	100
* Incom Business Systems Limited	Note (a)	Telecommunications	Ordinary	-	100

Those subsidiaries marked with an \* represent the subsidiaries acquired during the period. Consideration is disclosed in

**Note (a)**

Focus House, Ham Road, Shoreham-by-Sea, West Sussex, BN43 6PA

**Note (b)**

Belhaven House, Lark Way, Strathclyde Business Park, Bellshill, Scotland, ML4 3RB

**Note (c)**

Innovation House, Brunthill Road, Kingstown Industrial Estate, Carlisle, Cumbria, England, CA3 0EH

**Note (d)**

Oykel House, Cradlehall Business Park, Inverness, Scotland, IV2 5GH

The directors believe the carrying value of its investment is supported by either future cash flows or underlying net assets.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2021****14 BUSINESS COMBINATIONS**

During the period the group acquired twelve entities and recognised goodwill of £35,399,596. The value of goodwill reflects the expected benefits from the ability to generate new streams of revenue and the expected synergies of combining the operations of the acquired businesses and the Group.

On 28 February 2022, the group acquired 90% of the ordinary share capital of EVAD Holdings Limited for total consideration of £7,789,232.35 and direct costs of £176,837.

The incremental revenue and profit generated from the acquisition, before intra group trading was eliminated, was £5,669,115 and £948,580 respectively.

	Adjustments to book value £	Evad Holdings Group Fair value acquired £
Fair value of assets and liabilities acquired (£)		
Fixed assets	664,549	749,762
Intangible assets		20,943
Cash and cash equivalent	(5,002)	377,511
Stock		79,275
Trade and other receivables	(4)	3,325,410
Trade and other payables	(74,148)	(3,085,547)
Long term payables		-
Deferred tax		-
Total identifiable net assets	585,395	1,467,354
Non-controlling interest		146,735
Consideration		7,966,069
Goodwill		6,645,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2021

## 14 BUSINESS COMBINATIONS (continued)

On 31 May 2022, the group acquired 20% of the ordinary share capital of Lowmoor Road Limited for cash consideration of £1,000,000 plus legal fees of £55,550. This brings the total shareholding in Lowmoor Road Group to 70%. The fair value of the original 50% share holding is £2,988,873.

The incremental revenue and profit generated from the acquisition, before intra group trading was eliminated, was £3,414,087 and £224,077 respectively.

	Adjustments to book value £	Lowmoor Road Group Fair Value acquired £
Fair value of assets and liabilities acquired (£)		
Fixed assets	(85,728)	535,228
Intangible assets		408,458
Cash and cash equivalent	(13,984)	1,218,755
Stock	(66,661)	121,211
Trade and other receivables	(888,405)	559,635
Trade and other payables	725,393	(2,707,167)
Deferred tax		(13,837)
Total identifiable net assets	(329,385)	122,283
Non-controlling interest		36,685
Consideration		4,044,423
Goodwill		3,958,825

On 29 July 2022, the group acquired 100% of the ordinary share capital of STL Communications Limited for cash consideration of £9,551,080 plus direct costs of £129,486.

The incremental revenue and profit generated from the acquisition, before intra group trading was eliminated, was £2,438,946 and £176,289 respectively.

	Adjustments to book value £	STL Communications Limited Fair value acquired £
Fair value of assets and liabilities acquired (£)		
Fixed assets		36,841
Intangible assets	(29,325)	150,075
Cash and cash equivalent	(401)	673,071
Stock		20,953
Trade and other receivables	(526,471)	580,787
Trade and other payables	480,701	(983,567)
Deferred tax		
Total identifiable net assets	(75,496)	478,160
Consideration		9,680,566
Goodwill		9,202,406

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2021****14 BUSINESS COMBINATIONS (continued)**

On 2 September 2022, the above group acquired 100% of the ordinary share capital of Incom CNS Group for cash consideration of £15,050,000, and direct costs of £299,396 and deferred consideration of £650,000.

The incremental revenue and profit generated from the acquisition, before intra group trading was eliminated, was £2,271,282 and £273,805 respectively.

	Adjustments to book value £	Incom CNS Group Fair Value acquired £
<i>Fair value of assets and liabilities acquired (£)</i>		
Fixed assets	100	350,901
Cash and cash equivalent		1,176,752
Stock	(9,282)	87,895
Trade and other receivables	(30,770)	1,972,018
Trade and other payables	(285,841)	(3,181,085)
Deferred tax		
Total identifiable net assets	(325,793)	406,481
Consideration		15,999,396
Goodwill		15,592,915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

## 15 STOCKS

	Group	
	2022	2021
	£	£
Stocks	1,806,992	958,255

There is no significant difference between the replacement cost of the inventory and its carrying amount.

## 16 DEBTORS

	Group		Company	
	2022	2021 (restated)	2022	2021
	£	£	£	£
Trade debtors	9,005,207	7,446,946	-	210,000
Amounts owed by group undertakings	384,894	269,389	70,445,962	46,848,504
Other debtors	3,701,214	4,076,445	23,442	129,321
Accrued income	6,546,332	6,836,911	-	-
Prepayments	12,080,488	6,641,037	-	-
Derivative Financial instruments	1,370,618	-	1,370,618	-
Deferred tax (see note 24)	-	999,141	-	-
	<u>33,088,753</u>	<u>26,269,869</u>	<u>71,840,022</u>	<u>47,187,825</u>

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

In the comparative figures for 2021 an amount of £1,696,431 has been reclassified between accrued income and prepayments to correctly reflect the balances.

## 17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	12,546,896	10,976,284	456,000	456,000
Amounts owed to group undertakings	164,002,492	164,771,163	164,986,826	165,498,747
Corporation tax	2,137,324	553,536	-	-
Deferred Tax (see note 24)	278,504	-	-	-
Other taxation and social security	1,794,595	872,623	-	-
VAT	3,059,596	2,474,492	-	-
Other creditors	4,321,757	4,036,703	-	-
Finance leases	160,528	551,626	-	-
Accruals	7,687,316	5,526,823	2,349,792	1,254,669
Deferred income	2,651,585	2,749,885	-	-
	<u>198,640,593</u>	<u>192,513,135</u>	<u>167,792,618</u>	<u>167,209,416</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Included in Accruals is a dilapidations provision of £114,376 (2021: £132,594), which is expected to reverse in February 2023.

Included in Other creditors is deferred consideration in relation to the acquisition of Incom CNS Group of £650k and an amount of £200k in respect of a completion accounts adjustment due in respect of the acquisition of the Lowmoor Road Ltd Group.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

**18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 19)	151,028,889	115,705,460	151,028,889	115,657,937
Finance leases	68,000	161,671	-	-
	<u>151,096,889</u>	<u>115,867,131</u>	<u>151,028,889</u>	<u>115,657,937</u>

**19 LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due after more than five years:				
Bank loans and overdrafts	151,028,889	115,705,460	151,028,889	115,657,937
	<u>151,028,889</u>	<u>115,705,460</u>	<u>151,028,889</u>	<u>115,657,937</u>

The group's financing includes a revolving credit facility of £157,900,000 (2021: £132,900,000) of which £153,853,124 (2021: £119,114,186) is drawn at the year end offset by arrangement fees of £2,824,235 (2021: £3,456,249). Interest is charged on a quarterly basis at LIBOR plus between 3 - 7.5% on the drawn-down amount. A commitment fee of 1.225% is charged on the undrawn amount. The facility is due for repayment in 2027, after more than five years and is repayable in a manner other than instalments.

During the year the group drew £34,204,187 and repaid nil (2021: £4,900,000). £534,752 of fees were capitalised with £183,001 being amortised in the year. Total costs of £4,902,960 have been capitalised as they were identified as being directly attributable to the arrangement of the debt facility. These are being amortised to the income statement within interest costs over the period to the maturity date. £2,824,235 remaining unamortised from the period ended November 2022.

**20 FINANCIAL INSTRUMENTS**

	<b>Group</b>		<b>Company</b>	
	2022	2021	2022	2021
	£	£	£	£
<b>Financial assets at fair value through profit or loss</b>				
- Derivative financial instruments	1,370,618	-	1,370,618	-
<b>Financial assets measured at amortised cost</b>				
Trade debtors	9,005,207	7,446,946	-	210,000
Amounts owed by group undertakings	384,894	269,389	70,445,962	46,848,504
Other debtors	3,701,214	4,076,445	23,442	129,321
Accrued income	6,546,332	6,836,911	-	-
	<u>19,637,647</u>	<u>18,629,691</u>	<u>70,469,404</u>	<u>47,187,825</u>
<b>Financial liabilities measured at amortised cost</b>				
Trade creditors	12,546,896	10,976,284	456,000	456,000
Amounts owed to group undertakings	164,002,492	164,771,163	164,986,826	165,498,747
Other creditors	4,321,757	4,036,703	-	-
Finance leases	160,528	551,626	-	-
Accruals	7,687,316	5,526,823	2,349,792	1,254,669
Bank loans and overdrafts (see note 19)	151,028,889	115,705,460	151,028,889	115,657,937
Finance leases	228,528	713,297	-	-
	<u>339,976,406</u>	<u>302,281,356</u>	<u>318,821,507</u>	<u>282,867,353</u>

The company entered into interest rate CAP agreements during the period for notional amounts of £110m fixing interest rates to 3.5%.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

**21 FINANCE LEASE OBLIGATIONS**

	<b>Group</b>		<b>Company</b>	
	2022	2021	2022	2021
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	160,528	551,626	-	-
In two to five years	68,000	161,671	-	-
	<u>228,528</u>	<u>713,297</u>	<u>-</u>	<u>-</u>

The group use finance leases and hire purchase contracts to acquire plant and machinery, motor vehicles and communication equipment. These leases have terms of renewal but no purchase options. Renewals are at the option of the lessee. The finance leases are secured on the individual assets financed.

**22 LEASING AGREEMENTS**

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

<b>Group</b>	2022	2021 (restated)
	£	£
Within one year	1,314,372	652,391
Between two and five years	1,050,317	509,739
In over five years	-	-
	<u>2,364,689</u>	<u>1,162,130</u>

2021 has been restated to reflect the break clause on Focus House in 2024

**23 SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	<u>151,028,889</u>	<u>115,705,460</u>	<u>151,028,889</u>	<u>115,657,937</u>

The loan is secured with a fixed charge over all present freehold and leasehold property; a first charge over book and other debts, chattels, goodwill and uncalled capital both present and future and a first floating charge over all assets and undertakings both present and future.

Eclipse (Bidco) Limited's financing facility is with a syndicate of financing providers who have provided a Senior Facilities Agreement (SFA) ending in 2027. This facility is secured by cross guarantees and debentures given by the Company and other group companies.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

**24 DEFERRED TAX**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred tax as a result of;				
Timing differences	659,396	(618,249)	-	-
Losses carried forward	(380,892)	(380,892)	-	-
	<u>278,504</u>	<u>(999,141)</u>	<u>-</u>	<u>-</u>
<b>Group</b>				<b>Deferred tax</b>
				<b>£</b>
Balance at 1 December 2021				(999,141)
Deferred tax acquired				68,698
Adjustment in respect of prior period				1,315,351
Charge to Income Statement during year				(106,404)
Balance at 30 November 2022				<u>278,504</u>
<b>Company</b>				<b>Deferred tax</b>
				<b>£</b>
Balance at 1 December 2021				-
Charge to Income Statement during year				-
Balance at 30 November 2022				<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

## 25 CALLED UP SHARE CAPITAL

Group and company

*Allotted, issued, and fully paid:*

Number:	Class:	Nominal value:	2022 £	2021 £
1	Ordinary A	£1.00	1	1
			<u>1</u>	<u>1</u>

## 26 ACCUMULATED LOSSES

Group	Accumulated losses £	Accumulated profit for non controlling interests £	Totals £
At 1 December 2021	(31,204,405)	1,132,124	(30,072,281)
Share based payment charge	203,926	-	203,926
(Loss)/profit for the year	(24,465,994)	759,517	(23,706,477)
Acquisition of non-controlling interest	-	183,420	183,420
At 30 November 2022	<u>(55,466,473)</u>	<u>2,075,061</u>	<u>(53,391,412)</u>
<b>Company</b>			
At 1 December 2021	(11,013,323)	-	(11,013,323)
Loss for the year	(11,301,957)	-	(11,301,957)
At 30 November 2022	<u>(22,315,280)</u>	<u>-</u>	<u>(22,315,280)</u>

## 27 RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed with the financial statements.

Entities in which either the ultimate controlling party, the shareholders, or the company itself hold an interest;

	2022 £	2021 £
Sales	5,962,212	687,625
Purchases	770,616	78,733
Amount due from related parties	5,302,427	3,733,469
Amount due to related parties	<u>7,303,202</u>	<u>2,653,204</u>

There are no additional key management personnel, other than directors. The remuneration of Directors is disclosed in note 7.

**ECLIPSE (BIDCO) LIMITED (REGISTERED NUMBER: 12474659)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2021**

**28 CONTROLLING PARTY**

The parent company is Eclipse (MidCo 2) Limited, accounts are available for public viewing at Companies House. The ultimate parent company is Shoreham TopCo Limited. The company is under the control of Shoreham TopCo Limited.

The smallest group to consolidate these financial statements is Eclipse (BidCo) Limited, the largest group to consolidate these financial statements is Eclipse (MidCo 1) Limited, accounts are available for viewing at Companies House. The registered address for both the smallest and the largest consolidated accounts is Focus House, Ham Road, Shoreham by Sea, West Sussex, BN43 6PA.

**29 EVENTS AFTER THE REPORTING PERIOD**

Since the balance sheet date Focus 4 U Ltd has bought the following significant entities;

On 20th January 2023 the Group acquired 76% of the share capital of Zest4 Group HoldCo Ltd and Zest IOT Holdco Ltd for a consideration of £28,157,000 which was funded through a bank loan.