

Company Registration No. 12075381 (England and Wales)

SOLO TOPCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

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SOLO TOPCO LIMITED

COMPANY INFORMATION

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

SOLO TOPCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business

Onecom is one of the UK's largest independent business communications technology providers, delivering fixed, mobile and data connectivity, integrated unified communications, cloud solutions & Contact Centre as a Service (CCaaS) to a diverse base of customers.

Solo Topco is the ultimate consolidation entity of all trading companies and acquired businesses; it therefore represents the complete picture of the Group's financial performance for the period under review.

Following investment from LDC in 2019, Onecom has significantly progressed a strategy to build on well-established organic growth platforms, coupled with an ambitious inorganic growth plan.

During fiscal period 2022 Onecom continued its growth and diversification strategy with a key focus on three primary areas being;

- a. the full integration and execution of value accretion plans for prior period acquisitions
- b. further M&A activity to broaden non mobile capability with the acquisition of Solution IP
- c. organic growth driven by strong sales performances in new logo wins, cross sell pollination of the acquired customer cohorts and foundational investment in Onecom Partners through the award and development of a Vodafone Independent Service Provider Licence (ISP), and the launch of a Strategic Partner Program.

Among other initiatives, these activities led to a strong growth performance across revenue, gross profit and cost optimisation delivering a strong underlying EBITDAX (earnings before interest, tax, depreciation and amortisation, excluding exceptional items) and performance of £30.7m, growing 19% when compared to £25.7m in 2021.

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 FY22	£k FY21	% Change vs 2021
Revenue	180,362	168,552	7.0%
EBITDAX	30,734	25,732	19.4%

In 2022, the Group achieved a turnover of £180.4m compared with £168.6m in the previous year. This was supported by the aforementioned initiatives and in particular strong customer growth, and accelerated product penetration with customer adoption of distinct products showing a continued positive trend, reflecting Onecom's wide product offering.

The evolution of Onecom's proposition has developed from a long-standing mobile pedigree into a fully-fledged unified communications provider (2013-2019), and then since 2020 an acceleration into Cloud based services including UCaaS, CCaaS, SIP and modern connectivity including FTTP and SoGEA.

In addition, the investment in and development of digital interaction and self-service capability through Onecloud, has positioned Onecom optimally to capitalise on post pandemic market demand, whilst scaling up revenue and maintaining high levels of customer satisfaction and cost to serve efficiency.

SOLO TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

These developments have been supported by continued new wins, coupled with low churn and consequently customer base growth, especially in cloud and connectivity where the customer base grew c5% vs prior year. Furthermore, with increased product penetration, average revenue per customer grew at c15% vs prior year reflecting the strategy to drive cross sell.

Further investments in people, employee benefits and a strong culture have aided staff retention and loyalty, with many members of previously acquired businesses taking up key roles in the enlarged group leading to high scoring eNPS and Employee Engagement levels.

Movements in the balance sheet reflect the lower level of acquisitions in 2022 vs 2021, with goodwill increasing only moderately to £93.0m (2021: £91.0m) and other borrowings broadly stable at £199.5m (2021: £199.0m). Cash was used to fund Onecom's M&A activity and as result, balances reduced to £18.8m at the end of the year (2021: £30.2m).

Net liabilities of the Group are £63.1m. These net liabilities arise because of charges resulting from the amortisation of goodwill on acquisitions, in addition to interest charges relating to the Group's funding structure following the investment from LDC in 2019.

2022 was yet another year of recognition and Onecom received several industry awards, notably including being recognised as Vodafone's Strategic Partner of the year, Five9 Innovation Partner of the year and subsequently EMEA partner of the year, and Onecom Partners becoming a BT "Elite" Partner.

Future developments and post balance sheet events

In 2023, Onecom has continued to execute the inorganic growth plan.

This resulted in the acquisition of IMS Technology and Onsite Connect in January 2023.

The group also negotiated new borrowings of £2,832,000 and £4,300,000.

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, as telecoms are an essential part of business, irrespective of the economic conditions. Furthermore, with c85% of revenue being recurring in nature, the level of potential variability is minimised.
- 2) Lack of diversification - the Group is continuing to invest in a wide ranging product set across mobile, cloud and connectivity. This has resulted in approximately a 50:50 revenue and margin split from mobile and non mobile products in each of the last two years.
- 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. Furthermore, changes in technology frequently present an opportunity to evolve and develop propositions, creating cross sell opportunities within the customer base.
- 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 strong cash conversion, 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.

SOLO TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6) Credit risk - group policies are aimed at minimising such losses stemming from credit risk 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 in recent years to reduce credit risk on the non-mobile side of the business.

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 2022.

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 of 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 2027 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, including "Officevibe" – a companywide engagement tool. We therefore 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 several leading suppliers, with regular engagement at all levels throughout the organisation. We ensure the investors in the Group, specifically LDC and Ares, have high levels of engagement and visibility through regular reviews, in addition to the provision of high-quality management information.
- d. Our plan considers the impact of the Group's operation on the community and environment through several initiatives. We have built out our ESG strategy, which is published on our website and in 2022, we have engaged with a third party to develop our end to end ESG approach, utilising the latest insight, articles and initiatives in this space. This is supported by an internal ESG committee and regular dialogue with specialist teams in LDC. We continue to build 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 our partnership with, 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.

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 2022 to 31st December 2022.

SOLO TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

We have set 2020 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 for the respective years to quantify emissions (to elaborate 2020 emissions used to calculate 2020 data, 2021 emissions used to calculate 2021 data, 2022 emissions used to calculate 2022 data).

Table 1: Emissions by Scope for 2020, 2021 and 2022.

Emissions source	2020 (Baseline Yr)	2021	2022	Change against last year	% Change against last year	Change against baseline year	% Change against baseline year
Direct Fugitive Emissions from Refrigeration, Air Conditioning etc - Refrigerant Gas	0	0.0	0	0	0%	0	0%
Direct Emissions From Stationary Combustion - Natural Gas Consumption	5	1.6	21	20	1269%	17	349%
Direct Emissions From Stationary Combustion - Other Fuel Consumption	0	0.0	0	0	0%	0	0%
Direct Emissions From Transport - Transport	10	4	3	-1	-31%	-7	-71%
Total Scope 1 (tCO2e)	15	6	24	18	310%	9	60%
Indirect Emissions From Purchased Electricity	86	146	160	14	10%	74	85%
Total Scope 2 (tCO2e) - Location Based	86	146	160	14	10%	74	85%
Indirect Emissions (Hire Car and Personal Car) From Transport	48	75	110	35	46%	62	129%
Total Scope 3 (tCO2e) - Location Based	48	75	110	35	46%	62	129%
Total Scope 1, 2 & 3 (tCO2e) - Location Based	149	227	294	67	30%	145	97%
Total Scope 1&2 (tCO2e) - Location Based	101	152	184	33	21%	83	82%
Intensity Metrics							
Total Gross Internal Area* (m2)	4,541	6,342	6,876	534	8%	2,335	51%
Scope 1,2&3 emissions per unit (tCO2e/m2)	0.0223	0.0239	0.0268	0.00	12.0%	0.00	20%
Total Gross Annual £m Revenue (£'000)	£89,274	£168,552	£183,673	£15,121	9%	£94,399	106%
Scope 1,2&3 emissions per unit (tCO2e/£ Revenue)	0.0011	0.0009	0.0010	0.0001	11%	-0.0001	-11%

SOLO TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Table 2: Energy Consumption for 2020, 2021 and 2022.

Energy Consumption by source (kWh)	2020 (Baseline Year)	2021	2022	Change against previous year	% Change against previous year	Change against baseline year	% Change against baseline year
Electricity	370,148	685,839	826,482	140,643	21%	456,334	123%
Gas	25,709	8,411	116,292	107,881	1283%	90,583	352%
Company Car - Direct Emissions	43,280	17,368	11,742	-5,626	-32%	-31,538	-73%
Fleet Vehicle - Indirect Emissions (Personal Cars, Hire Cars)	198,672	304,392	442,988	138,596	46%	244,316	123%
Total	637,809	1,016,010	1,397,504	381,494	38%	759,695	119%

To reduce our emissions, we are continuing to undertake carbon efficiency measures in the year including promoting the use of video conferencing to reduce our travel requirements.

We have expanded our building portfolio compared to the baseline 2020 year (reflected in a 51% increase in gross internal area) but slightly increased our building portfolio (by 8%) compared to 2021 year. Consequently, our total emissions (Scopes 1 and 2) have increased from baseline year by 82%, and by 21% compared to last year. Our scope 1 and 2 fuel mix are comprised of purchased electricity (87%), followed by natural gas (approximately 11%) and company transport (2%). When looking at Scope 1, 2 and 3 emissions, our overall emissions comprised of electricity (54%), indirect transport from hire car and personal cars (37%), then natural gas (7%) and lastly direct transport from company cars (1%).

This reaffirms that to have a significant decrease in Scope 1 and 2 emissions, we should be looking to purchase green tariffs in the short term, and review energy efficiency improvements outlined from ESOS (Energy Savings Opportunity Scheme) Energy audits in the longer term.

We have significantly increased our natural gas and electricity consumption from last year, resulting in a 10% increase in electricity emissions and a significant increase in natural gas emissions. The accuracy of data available for 2022 has improved (instead of yearly total per site, monthly invoices per meter were obtained to calculate these figures), which partly accounts for these large variances.

Other notable energy saving initiatives undertaken this year include:

- Introduction of Electric Vehicle salary sacrifice scheme.
- Remote Working to reduce commuting emissions, where applicable.

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

On behalf of the board

Adam Fowler

A Fowler
Director

Date: 27/09/23

SOLO TOPCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the group continued to be that of the supply of converged telephony solutions including mobile, fixed line and IT solutions. The principal activity of Solo Topco Limited was 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:

A Fowler
D M Ridge
Y Souillard
M Thompson
M Flick

Results and dividends

The results for the year are set out on page 12.

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 have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual 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 2022

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

Adam Fowler

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A Fowler

Director

Date: 27/09/23
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SOLO TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

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 2022 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 2022 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)

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 8, 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)

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.



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

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27/09/23

SOLO TOPCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	£	2022 £	£	2021 £
Turnover	3		180,361,682		168,551,594
Cost of sales			(125,632,490)		(128,662,262)
Gross profit			54,729,192		39,889,332
Administrative expenses		(53,298,811)		(37,655,408)	
Exceptional administrative items	4	(1,808,142)		(674,510)	
Total administrative expenses			(55,106,953)		(38,329,918)
Other operating income			173,569		38,623
Operating (loss)/profit	7		(204,192)		1,598,037
Interest receivable and similar income	10		23,729		15,574
Interest payable and similar expenses	11		(23,501,846)		(19,690,641)
Loss before taxation			(23,682,309)		(18,077,030)
Tax on loss	12		(1,261,874)		(3,660,205)
Loss for the financial year			(24,944,183)		(21,737,235)
Loss for the financial year is attributable to:					
- Owners of the parent company			(24,944,183)		(21,736,366)
- Non-controlling interests			-		(869)
			(24,944,183)		(21,737,235)
Total comprehensive income for the year is attributable to:					
- Owners of the parent company			(24,944,183)		(21,736,366)
- Non-controlling interests			-		(869)
			(24,944,183)		(21,737,235)

SOLO TOPCO LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	13	92,965,253		90,985,772	
Other intangible assets	13	102,336,214		109,384,863	
Total intangible assets		195,301,467		200,370,635	
Tangible assets	14	3,823,118		4,169,785	
Investments	15	8		8	
		199,124,593		204,540,428	
Current assets					
Stocks	18	2,351,802	2,334,259		
Debtors	19	87,761,231	84,041,793		
Cash at bank and in hand		18,764,876	30,233,391		
		108,877,909	116,609,443		
Creditors: amounts falling due within one year	20	(119,347,188)	(101,082,515)		
Net current (liabilities)/assets		(10,469,279)		15,526,928	
Total assets less current liabilities		188,655,314		220,067,356	
Creditors: amounts falling due after more than one year	21	(224,499,666)		(230,320,041)	
Provisions for liabilities	24	(27,304,231)		(27,885,235)	
Net liabilities		(63,148,583)		(38,137,920)	
Capital and reserves					
Called up share capital	27	9,047	9,047		
Share premium account	28	437,090	437,090		
Capital redemption reserve	28	1,762	1,762		
Profit and loss reserves	28	(63,596,482)	(38,652,299)		
Equity attributable to owners of the parent company		(63,148,583)		(38,204,400)	
Non-controlling interests		-		66,480	
		(63,148,583)		(38,137,920)	

SOLO TOPCO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 27/09/23 and are signed on its behalf by:

Adam Fowler

.....
A Fowler
Director

SOLO TOPCO LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	15		1		1
Current assets					
Debtors	19	78,181,048		77,682,624	
Cash at bank and in hand		17,554		641	
		78,198,602		77,683,265	
Creditors: amounts falling due within one year	20	(29,509,698)		(19,682,412)	
Net current assets		48,688,904		58,000,853	
Total assets less current liabilities		48,688,905		58,000,854	
Creditors: amounts falling due after more than one year	21	(57,173,612)		(56,683,397)	
Net (liabilities)/assets		(8,484,707)		1,317,457	
Capital and reserves					
Called up share capital	27	9,047		9,047	
Share premium account	28	437,090		437,090	
Capital redemption reserve	28	1,762		1,762	
Profit and loss reserves	28	(8,932,606)		869,558	
Total equity		(8,484,707)		1,317,457	

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 £9,802,164 (2021 - £11,166,278 profit).

The financial statements were approved by the board of directors and authorised for issue on 27/09/23 and are signed on its behalf by:

Adam Fowler

A Fowler
Director

SOLO TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2021		7,582	406,891	1,702	(16,914,638)	(16,498,463)	67,349	(16,431,114)
Year ended 31 December 2021:								
Loss and total comprehensive income for the year		-	-	-	(21,736,366)	(21,736,366)	(869)	(21,737,235)
Issue of share capital	27	1,525	30,199	-	-	31,724	-	31,724
Reduction of shares	27	(60)	-	60	(1,295)	(1,295)	-	(1,295)
Balance at 31 December 2021		9,047	437,090	1,762	(38,652,299)	(38,204,400)	66,480	(38,137,920)
Year ended 31 December 2022:								
Loss and total comprehensive income for the year		-	-	-	(24,944,183)	(24,944,183)	-	(24,944,183)
Purchase of shares in subsidiary from non-controlling interest		-	-	-	-	-	(66,480)	(66,480)
Balance at 31 December 2022		9,047	437,090	1,762	(63,596,482)	(63,148,583)	-	(63,148,583)

SOLO TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2021		7,582	406,891	1,702	(10,295,425)	(9,879,250)
Year ended 31 December 2021:						
Profit and total comprehensive income for the year		-	-	-	11,166,278	11,166,278
Issue of share capital	27	1,525	30,199	-	-	31,724
Reduction of shares	27	(60)	-	60	(1,295)	(1,295)
Balance at 31 December 2021		9,047	437,090	1,762	869,558	1,317,457
Year ended 31 December 2022:						
Loss and total comprehensive income for the year		-	-	-	(9,802,164)	(9,802,164)
Balance at 31 December 2022		9,047	437,090	1,762	(8,932,606)	(8,484,707)

SOLO TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	29	8,472,525		11,593,049	
Interest paid		(8,983,696)		(10,101,363)	
Income taxes (paid)/refunded		(2,471,995)		7,183	
Net cash (outflow)/inflow from operating activities		(2,983,166)		1,498,869	
Investing activities					
Purchase of business net of cash acquired		(7,095,310)	(73,150,884)		
Purchase of intangible assets		(392,641)	(213,137)		
Purchase of tangible fixed assets		(1,038,813)	(1,034,178)		
Proceeds on disposal of tangible fixed assets		17,686	6,259		
Interest received		23,729	15,574		
Net cash used in investing activities		(8,485,349)		(74,376,366)	
Financing activities					
Proceeds from issue of shares		-	31,724		
Redemption of shares		-	(1,295)		
Proceeds from borrowings		-	87,109,788		
Net cash (used in)/generated from financing activities		-		87,140,217	
Net (decrease)/increase in cash and cash equivalents		(11,468,515)		14,262,720	
Cash and cash equivalents at beginning of year		30,233,391		15,970,671	
Cash and cash equivalents at end of year		18,764,876		30,233,391	

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 2022. 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 2022

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. 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.

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.

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.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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 5-6 years
Capitalised software	Over 5-10 years
Customer contracts	Over 10-20 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	2% to 20% on cost
Plant and equipment	25% to 50% straight line
Fixtures and fittings	15% reducing balance or 25% straight line
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.

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.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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.

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.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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.

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.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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 other creditors.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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 prior year, the directors made use of the UK government coronavirus job retention scheme.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

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. 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.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty (Continued)

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.

Valuation of intangibles

An acquisition was 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 patents and licences based on discounted cash flow forecasts. Any remaining consideration above the value of the fair value of the assets acquired has been allocated as goodwill. On review of all intangible assets acquired in the current or previous years, 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. In recognising the value of intangible fixed assets, management have also made a judgement over the useful economic life over which the assets will be amortised over.

Recoverability of goodwill

Where there are indicators of impairment of goodwill, the group performs impairment tests to determine whether there is any indication that goodwill has been impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Deferred contingent consideration

At the time of signing these financial statements management has estimated the balance of deferred contingent consideration which they expect to be paid of £18,791,000 (2021 - £31,682,794). The actual value to be paid is dependent on the future financial performance of the Group.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Commissions	73,405,738	70,807,713
Products	21,031,051	20,692,251
Solutions	85,421,513	75,617,552
Other	400,818	595,180
Services	102,562	838,898
	<u>180,361,682</u>	<u>168,551,594</u>
	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	<u>180,361,682</u>	<u>168,551,594</u>

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4	Exceptional costs	2022 £	2021 £
	Exceptional items	1,808,142	674,510

Exceptional items in the year relate to; legal and professional fees of £1,034,306 (2021 - £121,243), failed project costs of £3,500 (2021 - £79,178), redundancy costs on deal completion of £180,908 (2021 - £360,073), restructuring and integration costs of £145,419 (2021 - £104,016), professional fees relating to the Group's M&A activity of £444,009 (2021 - £nil) and tax valuation services of £nil (2021 - £10,000). These exceptional items lead to the operating profit being reduced by the sum of £1,808,142 (2021 - £674,510).

5 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Cost of sales	262	252	-	-
Administration	372	344	-	-
Directors	10	10	2	2
Total	644	606	2	2

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	28,033,517	25,638,480	100,000	100,000
Social security costs	3,284,049	2,903,522	11,939	11,361
Pension costs	702,123	612,397	-	-
	32,019,689	29,154,399	111,939	111,361

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	695,995	334,133
Company pension contributions to defined contribution schemes	20,333	12,933
	716,328	347,066

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	337,384	257,200
Company pension contributions to defined contribution schemes	10,333	10,000

7 Operating (loss)/profit

	2022 £	2021 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	-	(8,645)
Depreciation of owned tangible fixed assets	1,393,525	1,203,963
(Profit)/loss on disposal of tangible fixed assets	(1,042)	15,077
Amortisation of intangible assets	25,443,965	20,528,707
Operating lease charges	1,135,715	866,872

8 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	25,000	39,000
Audit of the financial statements of the company's subsidiaries	208,353	190,000
	233,353	229,000
For other services		
Taxation compliance services	57,750	69,400
All other non-audit services	69,832	86,474
	127,582	155,874

9 Government grants

Government grants of £nil (2021 - £8,645) were received during the year in relation to the UK Government Coronavirus Job Retention Scheme and is included within other operating income.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	1,938	2,226
Interest refunded	21,791	13,348
Total income	23,729	15,574

11 Interest payable and similar expenses

	2022 £	2021 £
Other interest on financial liabilities	22,605,750	19,325,641
Amortised debt arrangement fee	496,878	365,000
Unwinding of discount on provisions	399,218	-
Total finance costs	23,501,846	19,690,641

12 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	3,519,521	3,262,947
Adjustments in respect of prior periods	(462,218)	(37)
Total current tax	3,057,303	3,262,910
Deferred tax		
Origination and reversal of timing differences	(3,100,960)	(2,191,517)
Changes in tax rates	-	2,599,700
Adjustment in respect of prior periods	1,305,531	(10,888)
Total deferred tax	(1,795,429)	397,295
Total tax charge	1,261,874	3,660,205

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Taxation (Continued)

The total tax charge 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:

	2022 £	2021 £
Loss before taxation	(23,682,309)	(18,077,030)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(4,499,639)	(3,434,636)
Tax effect of expenses that are not deductible in determining taxable profit	4,862,697	4,529,396
Tax effect of income not taxable in determining taxable profit	8,750	-
Adjustments in respect of prior years	(462,218)	-
Group relief	-	1
Research and development tax credit	(32,151)	-
Deferred tax adjustments in respect of prior years	1,305,531	(10,925)
Remeasurement of deferred tax for changes in tax rates	(743,458)	2,524,631
Deferred tax not recognised	(2,294)	51,826
Fixed asset differences	824,656	-
Other tax adjustments, reliefs and transfers	-	(88)
Taxation charge	1,261,874	3,660,205

13 Intangible fixed assets

Group	Goodwill £	Patents and licences £	Capitalised software £	Customer contracts £	Brand name £	Total £
Cost						
At 1 January 2022	109,488,468	22,228	19,825,472	100,950,900	7,121,000	237,408,068
Additions	-	74,519	318,122	-	-	392,641
Business combinations	14,582,790	1,156,216	-	4,661,000	-	20,400,006
At 31 December 2022	124,071,258	1,252,963	20,143,594	105,611,900	7,121,000	258,200,715
Amortisation and impairment						
At 1 January 2022	18,502,696	7,740	2,841,162	14,248,026	1,437,809	37,037,433
Amortisation charged for the year	12,603,309	46,125	3,801,122	8,281,309	712,100	25,443,965
Business combinations	-	417,850	-	-	-	417,850
At 31 December 2022	31,106,005	471,715	6,642,284	22,529,335	2,149,909	62,899,248
Carrying amount						
At 31 December 2022	92,965,253	781,248	13,501,310	83,082,565	4,971,091	195,301,467
At 31 December 2021	90,985,772	14,488	16,984,310	86,702,874	5,683,191	200,370,635

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Intangible fixed assets (Continued)

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

14 Tangible fixed assets

Group	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At 1 January 2022	1,068,716	130,453	2,916,745	7,645,714	129,098	11,890,726
Additions	166,364	-	148,137	724,312	-	1,038,813
Business combinations	58,674	-	16,274	53,048	-	127,996
Disposals	-	-	(3,023)	(2,628)	(34,287)	(39,938)
At 31 December 2022	1,293,754	130,453	3,078,133	8,420,446	94,811	13,017,597
Depreciation and impairment						
At 1 January 2022	563,493	121,758	1,972,764	4,981,929	80,997	7,720,941
Depreciation charged in the year	69,417	2,214	139,745	1,167,237	14,912	1,393,525
Eliminated in respect of disposals	-	-	(2,526)	(1,430)	(19,338)	(23,294)
Business combinations	49,140	-	12,239	41,928	-	103,307
At 31 December 2022	682,050	123,972	2,122,222	6,189,664	76,571	9,194,479
Carrying amount						
At 31 December 2022	611,704	6,481	955,911	2,230,782	18,240	3,823,118
At 31 December 2021	505,223	8,695	943,981	2,663,785	48,101	4,169,785

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

15 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	16	-	-	1	1
Unlisted investments		8	8	-	-
		8	8	1	1

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Fixed asset investments (Continued)

Movements in fixed asset investments Group

Investments other than loans £

Cost or valuation

At 1 January 2022 and 31 December 2022

16,008

Impairment

At 1 January 2022 and 31 December 2022

16,000

Carrying amount

At 31 December 2022

8

At 31 December 2021

8

Movements in fixed asset investments Company

Shares in group undertakings £

Cost or valuation

At 1 January 2022 and 31 December 2022

1

Carrying amount

At 31 December 2022

1

At 31 December 2021

1

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 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 +	*1	Communication and technology providers	Ordinary	-	100.00
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
F2P (Group) Ltd+	*1	Holding company	Ordinary	-	100.00
9 Group (I Holdings) Ltd+	*1	Holding company	Ordinary	-	100.00
9 Group (Retail) Ltd+	*1	Communication and technology providers	Ordinary	-	100.00
Onecom Partners Limited+	*1	Communication and technology providers	Ordinary	-	100.00
Olive Business Solutions Limited +	*1	Communication and technology providers	Ordinary	-	100.00
Olive Communications Solutions +	*1	Holding company	Ordinary	-	100.00
Russell Telecom Limited+	*1	Holding company	Ordinary	-	100.00
IP Office Limited+	*1	Communication and technology providers	Ordinary	-	100.00
Russell Midco 2 Ltd	*1	Dormant	Ordinary	-	100.00
IP Office Group Holdings Limited +	*1	Holding company	Ordinary	-	100.00
Voice Over IP Limited	*1	Dormant	Ordinary	-	100.00
Olive M2M Limited	*1	Dormant	Ordinary	-	100.00
Olive Unified Communications Services Limited	*1	Dormant	Ordinary	-	100.00
Safety Bank Solutions Limited	*1	Dormant	Ordinary	-	100.00
Direct Communications (Mobile Data) Limited	*1	Dormant	Ordinary	-	100.00
Parkway Telecom Limited	*1	Dormant	Ordinary	-	100.00
Olive Cloud Services Pty Limited	*2	Dormant	Ordinary	-	100.00
Wish Communications Limited	*1	Dormant	Ordinary	-	100.00
Wish Holdings Limited	*1	Dormant	Ordinary	-	100.00
Wish Solutions (GB) Limited	*1	Dormant	Ordinary	-	100.00
MPS (G2) Limited	*1	Dormant	Ordinary	-	100.00
Solution IP Communications Limited+	*1	Communication and technology providers	Ordinary	-	100.00

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Subsidiaries (Continued)

*1 Onecom House 4400 Parkway, Whiteley, Fareham, Hampshire, PO15 7FJ.

*2 Carrazzo consulting PTY Ltd, 801 Glenferrie Road, Hawthorn, Victoria 3122.

Audit exemption

+ Subsidiary companies that 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.

17 Acquisition

On 16 September 2022 the group acquired 100% of the issued share capital of Solution IP Communications Limited for consideration of £8,929,143.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Intangible assets	738,366	4,661,000	5,399,366
Property, plant and equipment	24,689	-	24,689
Goodwill	565,035	(565,035)	-
Inventories	36,736	-	36,736
Trade and other receivables	649,301	-	649,301
Cash and cash equivalents	284,983	-	284,983
Trade and other payables	(1,590,595)	-	(1,590,595)
Tax liabilities	(122,585)	-	(122,585)
Deferred tax	(3,298)	(1,165,250)	(1,168,548)
Total identifiable net assets	582,632	2,930,715	3,513,347
Goodwill			5,415,796
Total consideration			8,929,143
The consideration was satisfied by:			£
Cash			6,951,962
Deferred consideration			1,803,970
Deal costs			173,211
			8,929,143
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			1,329,299
Profit after tax			267,627

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Acquisition (Continued)

During the year, there was an increase in the deferred consideration payable of £9,166,993 in relation to acquisitions made in previous years which has directly led to an increase in goodwill.

18 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	2,351,802	2,334,259	-	-

19 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	17,845,782	10,332,455	-	-
Amounts owed by group undertakings	-	-	78,172,839	77,682,624
Other debtors	36,128,382	36,272,870	8,209	-
Prepayments and accrued income	15,055,979	16,620,748	-	-
	69,030,143	63,226,073	78,181,048	77,682,624
Deferred tax asset (note 25)	7,903	18,811	-	-
	69,038,046	63,244,884	78,181,048	77,682,624
Amounts falling due after more than one year:				
Other debtors	18,723,185	20,796,909	-	-
Total debtors	87,761,231	84,041,793	78,181,048	77,682,624

20 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Obligations under finance leases	23	-	2,606	-	-
Trade creditors		53,524,771	56,660,468	17,553	-
Amounts owed to group undertakings		-	-	1,896,773	1,520,689
Corporation tax payable		3,385,987	2,678,094	-	-
Other taxation and social security		5,607,610	5,520,224	3,872	4,060
Other creditors		16,204,300	1,530,860	-	-
Accruals and deferred income		40,624,520	34,690,263	27,591,500	18,157,663
		119,347,188	101,082,515	29,509,698	19,682,412

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

21 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Other borrowings	22	199,473,612	198,983,397	57,173,612	56,683,397
Other creditors		25,026,054	31,336,644	-	-
		<u>224,499,666</u>	<u>230,320,041</u>	<u>57,173,612</u>	<u>56,683,397</u>

Other borrowings of £199,473,612 (2021 - £198,983,397) are secured by a fixed and floating charge over the groups assets.

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

Payable other than by instalments	142,300,000	142,300,000	-	-
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22 Borrowings

	Group 2022 £	2021 £	Company 2022 £	2021 £
Other loans	199,473,612	198,983,397	57,173,612	56,683,397
Payable after one year	199,473,612	198,983,397	57,173,612	56,683,397

Other loans of £199,473,612 (2021 - £198,983,397) are secured by a fixed and floating charge over the groups assets.

Other loans of £142,300,000 (2021 - £142,300,000) are repayable in 3 years and interest is payable at 7% plus SONIA for the term of the loan. The remaining balance of loan notes of £57,173,612 (2021 - £56,683,397) are repayable in 5 years and interest is payable at 12% for the term of the loan.

23 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Less than one year	-	2,606	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

24 Provisions for liabilities

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Dilapidations		204,244	147,459	-	-
Deferred tax liabilities	25	27,099,987	27,737,776	-	-
		<u>27,304,231</u>	<u>27,885,235</u>	<u>-</u>	<u>-</u>

Movements on provisions apart from deferred tax liabilities:

Group	Dilapidations £
At 1 January 2022	147,459
Acquired in business combination	56,785
At 31 December 2022	<u>204,244</u>

25 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Group				
Accelerated capital allowances	1,795,178	566,331	7,903	18,811
Arising on business combinations	25,304,809	27,171,445	-	-
	<u>27,099,987</u>	<u>27,737,776</u>	<u>7,903</u>	<u>18,811</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 January 2022	27,718,965	-
Credit to profit or loss	(1,795,429)	-
Arising on business combinations	1,168,548	-
Liability at 31 December 2022	<u>27,092,084</u>	<u>-</u>

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

26 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	702,123	612,397

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.

27 Share capital

	Group and company	
	2022	2021
Ordinary share capital	£	£
Issued and fully paid		
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 Ordinary C shares of 20p each	185	185
14,652 Ordinary D shares of 20p each	2,930	2,930
5 Ordinary E shares of 20p each	1	1
	9,047	9,047

During the prior year, 7,621 ordinary D shares were issued for £4.16 per share and 5 ordinary E shares were issued for £4.16 per share. Further, 300 ordinary D shares were repurchased at £4.16 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.

28 Reserves

Profit and loss 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 2022

29 Cash generated from group operations

	2022 £	2021 £
Loss for the year after tax	(24,944,183)	(21,737,235)
Adjustments for:		
Taxation charged	1,261,874	3,660,205
Finance costs	23,501,846	19,690,641
Investment income	(23,729)	(15,574)
(Gain)/loss on disposal of tangible fixed assets	(1,042)	15,077
Amortisation and impairment of intangible assets	25,443,965	20,528,707
Depreciation and impairment of tangible fixed assets	1,393,525	1,203,963
Movements in working capital:		
Decrease/(increase) in stocks	19,193	(989,139)
(Increase)/decrease in debtors	(3,081,046)	10,120,054
(Decrease) in creditors	(15,097,878)	(20,883,650)
Cash generated from operations	8,472,525	11,593,049

30 Analysis of changes in net debt - group

	1 January 2022 £	Cash flows £	Other non- cash changes £	31 December 2022 £
Cash at bank and in hand	30,233,391	(11,468,515)	-	18,764,876
Borrowings excluding overdrafts	(198,983,397)	-	(490,215)	(199,473,612)
Obligations under finance leases	(2,606)	-	2,606	-
	<u>(168,752,612)</u>	<u>(11,468,515)</u>	<u>(487,609)</u>	<u>(180,708,736)</u>

31 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:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	922,561	1,161,004	-	-
Between one and five years	1,940,057	2,254,591	-	-
In over five years	385,818	326,833	-	-
	<u>3,248,436</u>	<u>3,742,428</u>	<u>-</u>	<u>-</u>

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

32 Events after the reporting date

Subsequent to the year end, the group acquired the share capital of IMS Technology Services Limited and acquired the customer base of On-Site Connect Limited.

The group also negotiated new borrowings of £2,832,000 and £4,300,000.

33 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales		Purchases	
	2022	2021	2022	2021
	£	£	£	£
Group				
Other related parties	635,198	173,483	167,616	47,680
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Legal fees		Rent paid	
	2022	2021	2022	2021
	£	£	£	£
Group				
Other related parties	-	72,000	214,315	224,567
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Other related parties relate to entities with common directorship and/ or common shareholders, being former subsidiary undertakings of Onecom Group Limited.

The company has taken advantage of the exemption available under FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

All transactions are carried out at arm's length.