Company Registration No. 12075381 (England and Wales)

SOLO TOPCO LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

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 2021

The directors present the strategic report for the year ended 31 December 2021.

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 represents 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.

Across the course of 2021, Onecom has added material scale, diversification and expertise through four key acquisitions, namely Olive Communications, 9 Retail & 9 Partners (which has now been rebranded to Onecom Partners), IP Office and Russell Telecom.

As noted in the post balance sheet events below, this strategy has continued in 2022 with the further acquisitions of Onecom Southampton (previously a 50% holding, now wholly owned) and Solution IP.

These acquisitions, complimented by delivery of a healthy organic pipeline, have driven significant growth, with underlying EBITDA more than doubling to £25.7m when compared to 2020.

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

	£k	£k	%
	2021	**2020**	**Change vs 2020**
Revenue	£168,552	£92,063	83.1%
Gross profit	£39,889	£21,873	82.4%
EBITDA	£25,732	£12,432	107.0%

In 2021, the Group achieved a turnover of £168.6m compared with £92.1m in the previous year. This was supported by the aforementioned acquisitions, in addition to underlying organic growth. The Group has also continued to see the return of revenues that experienced market wide downward pressure in 2020 as a result of COVID-19, such as mobile roaming and call revenues, equipment sales and large-scale Enterprise projects.

As a provider of telecommunications services, Onecom has also seen an evolution in how businesses procure products following the COVID-19 pandemic. This has driven an accelerated shift away from on premise technology and the associated upfront revenues, towards hosted voice & cloud-based solutions. As the market moves away from "one off" revenues, this has caused some short-term downward pressure, but coupled with strong growth in repeatable subscription revenues. As a result, the Group continues to see a positive trend in the mix, with over 80% of revenue and 85% of gross margin being recurring in nature.

This change in customer demand, coupled with the inorganic activity in the year, has also driven significant diversification in Onecom's revenue, with c50% now driven from non-mobile services. As the market moves towards the PSTN switch off, Onecom continue to support customers through this transition, driving strong growth in hosted and cloud-based solutions, building on key strategic relationships with vendors such as Gamma and Virtual1. This take up has been strong across all customer segments, from SME right through to our largest Enterprise customers.

These developments have been supported by continued strength in Onecom's mobile base and IoT, which has grown to well over 400,000 connections. Base growth has been driven by key customer wins in 2021, coupled with consistently low churn. This has been further underpinned by billing growth of +2%, supported by the return of roaming revenues which declined in 2020 as a result of the COVID-19 pandemic.

Onecom's structured go to market approach through our Business and Enterprise channels has been further enhanced in 2021 with the acquisition of 9 Partners. This gives the Group access to a significantly expanded market reach, with more than 400 channel partners, and a significantly expanded addressable market to target.

Review of the business (continued)

The Group has also continued to invest in people and processes ensuring a scalable platform to support further future growth. This has accelerated in 2021, with the expansion of a proprietary customer facing and internal management portal, OneCloud. This enables a continued drive towards digital adoption, even stronger customer experience and greater process efficiency.

Notable movements in the balance sheet reflect the significant acquisition strategy that has been executed during the year, with goodwill increasing to £92.1m (2020: £57.3m) and other borrowings to £199.0m (2020: £111.9m). Cash conversion has remained strong in 2021, resulting in a growth in cash balances to £30.2m (2019: £16.0m), despite the use of cash to fund a proportion of Onecom's M&A activity. A dividend of £19.725m was received from another entity in the Group, specifically Solo Bidco.

Net liabilities of the Group are £38.1m, including £30.2m of cash reserves at the end of FY21. 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.

Onecom received several industry awards in 2021, again being recognised as Vodafone's Strategic Partner of the year, underlining the strength of Onecom's largest commercial partnership. The Group retained its Investors in People (IIP) Gold accreditation and was awarded Employer of the Year at the IIP awards, reflecting the importance placed on making Onecom an employer of choice for our 600+ workforce.

Future developments and post balance sheet events

In 2022, Onecom has continued to execute the inorganic growth plan.

This resulted in the acquisition of the remaining share capital of Onecom Southampton in April 2022 (previously a 50% holding) and Solution IP in September 2022.

2022 also sees significant ongoing investment in developing Onecloud, in addition to further internal system enhancements as well as forging new strategic partnerships with emerging technology providers such as Five9.

Additionally our long standing strategic relationship with Vodafone has evolved with the award of an Independent Service Provider (ISP) License, and the launch of a "sell through" capability across Mobile and Fixed product sets being offered to our 400+ resellers and channel partners.

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. This has been further demonstrated through resilience in financial performance through the COVID-19 pandemic.

2) Lack of diversification - the Group is continuing to invest in its non-mobile wholesale business which is showing very strong growth; this is forecast to continue accelerating. This is further addressed through the inorganic strategy and the resulting revenue mix is approximately now 50:50.

3) Regulatory changes and price risk - in the past, regulatory changes have affected gross telephony revenues and prices and the Group monitors the effects of this on a regular basis and where applicable will devise and implement strategies and policies to address and minimise the impact of any commercial pressures or compliance requirements.

4) Changes in technology - the speed of technological advancement and customer expectations in telecommunications is regularly monitored by the Group. One of Onecom's strengths, through its independence, is its ability to adapt to change and willingness to offer a variety of products to the UK total communications market.

5) Liquidity and cashflow risk - the Group has an obligation to recognise incentives when a contract is signed but receives the associated revenue on a spread basis over the life of the contract. The Group mitigates this risk by profit retention and 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.

Principal risks and uncertainties (continued)
6) Credit risk - credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. A large proportion of the mobile customer credit risk is borne by Vodafone rather than the Group as they receive their revenue share from Vodafone rather than collecting cash from customers. Onecom have significantly invested in credit control processes 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 2021.

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

a. Our plan has been designed to ensure a long term commercial beneficial impact on the Group, contributing towards supporting our customers with high quality products, services and support. We have regularly discussed and reviewed the plan at Board level, ensuring objectives are aligned and that we continue to execute the plan as agreed, setting out a clear vision to 2025 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 additional 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 we have engaged with external consultants to develop our thinking in these critical areas. 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.

SOLO TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 to 31st December 2021.

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 (2020 and 2021 – for the 2020 and 2021 year respectively) to quantify emissions.

Emissions source	2020	2021	Change against previous year	% Change against previous year
Fuel Consumed in Company Controlled Vehicles	10	4.355	-6.02	-58%
Directly Purchased Gas Consumed within *buildings*	5	2	-3.18	-67%
Total Scope 1 (tCO2e)	**15**	**6**	**-9**	**-61%**
Directly Purchased Electricity Consumed within buildings	86	146	59	68.7%
Total Scope 2 (tCO2e)	**86**	**146**	**59**	**68.7%**
Fuel Consumed by Personal Vehicles used for Business Activities	48	75.163	28	36.7%
Total Scope 3 (tCO2e)	**48**	**75.163**	**28**	**36.7%**
Total Scope 1, 2 & 3 (*tCO2e*)	**149**	**227**	**78**	**52.1%**
Total Scope 1&2 (tCO2e)	**101**	**152**	**50**	**49.4%**
Intensity Metrics				
Total Annual Revenue (£ 000's)	£89,274	£168,552	£79,278	88.8%
Scope 1&2 emissions per unit (tCO2e/£ 000's)	***0.0011***	***0.0009***	**-0.0002**	**-20.29%**
Total Gross Internal Area* (m2)	4,541	6,342	1,801	39.7%
Scope 1+2 emissions per unit (tCO2e/m2)	**0.0223**	**0.0239**	**0**	**7%**

Energy Consumption by source	2020	2021	Change against previous year	% Change against previous year
Electricity	370,148	685,839	315,692	85.3%
Gas	25,709	8,411	-17,298	-67.3%
Vehicle fuel (Company Cars)	43,280	304,392	261,112	603.3%
Vehicle fuel (Personal Cars, Hire Cars)	198,672	17,368	-181,304	-91.3%
Total	**637,808**	**1,016,010**	**378,202**	**59.3%**

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

We have increased their portfolio and expanded the business this year compared to the baseline COVID-19 year (2020), which is reflected in: a 39.7% increase in the floor area of the Group's buildings, a 88.8% increase in revenue, an increase in energy used and consequently an increase in total emissions (scope 1 and 2, of 49%). However, the intensity ratio per unit produced has reduced as the Group expands, with the emissions per revenue falling by 20.29% and intensity ratio per floor area only slightly increasing by 7%.

This shows that the energy efficiency measures we've put in place (and continue to put in place) mean that we can improve productivity without drastically increasing normalised energy emissions. We will continue to assess our energy efficiency improvements by conducting ESOS Energy Audits.

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

On behalf of the board

Adam Fowler

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A Fowler

Date: 12/12/22........................

SOLO TOPCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

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	
C Hurley	(Resigned 30 June 2021)
D M Ridge	
Y Souillard	
M Thompson	
M Flick	(Appointed 4 March 2021)

Results and dividends

The results for the year are set out on page 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.

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

12/12/22

Date: ....

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 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 2021 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.

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.

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

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

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

Use of our report

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

RSM UK Audit LLP

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

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12/12/22

SOLO TOPCO LIMITED

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

	Notes	£	2021 £	£	2020 £
Turnover	3		168,551,594		92,063,098
Cost of sales			(128,662,262)		(70,190,315)
Gross profit			39,889,332		21,872,783
Administrative expenses		(37,655,408)		(22,250,298)	
Exceptional administrative items	4	(674,510)		(460,390)	
Total administrative expenses			(38,329,918)		(22,710,688)
Other operating income			38,623		299,949
Operating profit/(loss)	6		1,598,037		(537,956)
Interest receivable and similar income	9		15,574		131,727
Interest payable and similar expenses	10		(19,690,641)		(12,424,827)
Loss before taxation			(18,077,030)		(12,831,056)
Tax on loss	11		(3,660,205)		(1,083,755)
Loss for the financial year			(21,737,235)		(13,914,811)
Loss for the financial year is attributable to:					
- Owners of the parent company			(21,736,366)		(13,909,034)
- Non-controlling interests			(869)		(5,777)
			(21,737,235)		(13,914,811)
Total comprehensive income for the year is attributable to:					
- Owners of the parent company			(21,736,366)		(13,909,034)
- Non-controlling interests			(869)		(5,777)
			(21,737,235)		(13,914,811)

SOLO TOPCO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Goodwill	12		90,985,772		57,293,486
Other intangible assets	12		109,384,863		51,668,155
Total intangible assets			200,370,635		108,961,641
Tangible assets	13		4,169,785		2,449,347
Investments	14		8		8
			204,540,428		111,410,996
Current assets					
Stocks	17	2,334,259		1,226,077	
Debtors	18	84,041,793		62,774,693	
Cash at bank and in hand		30,233,391		15,970,671	
		116,609,443		79,971,441	
Creditors: amounts falling due within one year	19	(101,082,515)		(67,029,932)	
Net current assets			15,526,928		12,941,509
Total assets less current liabilities			220,067,356		124,352,505
Creditors: amounts falling due after more than one year	20		(230,320,041)		(130,664,609)
Provisions for liabilities	23		(27,885,235)		(10,119,010)
Net liabilities			(38,137,920)		(16,431,114)
Capital and reserves					
Called up share capital	26		9,047		7,582
Share premium account	27		437,090		406,891
Capital redemption reserve	27		1,762		1,702
Profit and loss reserves	27		(38,652,299)		(16,914,638)
Equity attributable to owners of the parent company			(38,204,400)		(16,498,463)
Non-controlling interests			66,480		67,349
			(38,137,920)		(16,431,114)

SOLO TOPCO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 12/12/22 and are signed on its behalf by:

Adam Fowler

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A Fowler
Director

Company Registration No. 12075381

SOLO TOPCO LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	**14**		1		1
Current assets					
Debtors	**18**	77,682,624		54,242,974	
Cash at bank and in hand		641		-	
		77,683,265		54,242,974	
Creditors: amounts falling due within one year	**19**	(19,682,412)		(11,948,616)	
Net current assets			58,000,853		42,294,358
Total assets less current liabilities			58,000,854		42,294,359
Creditors: amounts falling due after more than one year	**20**		(56,683,397)		(52,173,609)
Net assets/(liabilities)			1,317,457		(9,879,250)
Capital and reserves					
Called up share capital	**26**		9,047		7,582
Share premium account	**27**		437,090		406,891
Capital redemption reserve	**27**		1,762		1,702
Profit and loss reserves	**27**		869,558		(10,295,425)
Total equity			1,317,457		(9,879,250)

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 profit for the year was £11,166,278 (2020 - £7,300,817 loss).

The financial statements were approved by the board of directors and authorised for issue on 12/12/22 and are signed on its behalf by:

Adam Fowler

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A Fowler
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
		£	£	£	£	£	£	£
Balance at 1 January 2020		9,284	406,891	-	(2,970,229)	(2,554,054)	73,126	(2,480,928)
Period ended 31 December 2020:								
Loss and total comprehensive income for the period		-	-	-	(13,909,034)	(13,909,034)	(5,777)	(13,914,811)
Reduction of shares	26	(1,702)	-	1,702	(35,375)	(35,375)	-	(35,375)
Balance at 31 December 2020		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	26	1,525	30,199	-	-	31,724	-	31,724
Reduction of shares	26	(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)

SOLO TOPCO LIMITED

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

	Notes	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 1 January 2020		9,284	406,891	-	(2,959,233)	(2,543,058)
Period ended 31 December 2020:						
Loss and total comprehensive income for the period		-	-	-	(7,300,817)	(7,300,817)
Reduction of shares	**26**	(1,702)	-	1,702	(35,375)	(35,375)
Balance at 31 December 2020		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	**26**	1,525	30,199	-	-	31,724
Reduction of shares	**26**	(60)	-	60	(1,295)	(1,295)
Balance at 31 December 2021		9,047	437,090	1,762	869,558	1,317,457

SOLO TOPCO LIMITED

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

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	**28**		11,593,049		17,227,527
Interest paid			(10,101,363)		(5,072,371)
Income taxes refunded/(paid)			7,183		(2,221,410)
Net cash inflow from operating activities			1,498,869		9,933,746
Investing activities					
Purchase of business net of cash acquired		(73,150,884)		(7,144,311)	
Purchase of intangible assets		(213,137)		(122,193)	
Purchase of tangible fixed assets		(1,034,178)		(281,159)	
Proceeds on disposal of tangible fixed assets		6,259		282,671	
Interest received		15,574		131,727	
Net cash used in investing activities			(74,376,366)		(7,133,265)
Financing activities					
Proceeds from issue of shares		31,724		-	
Redemption of shares		(1,295)		(35,375)	
Proceeds from borrowings		87,109,788		3,167,936	
Net cash generated from financing activities			87,140,217		3,132,561
Net increase in cash and cash equivalents			14,262,720		5,933,042
Cash and cash equivalents at beginning of year			15,970,671		10,037,629
Cash and cash equivalents at end of year			30,233,391		15,970,671

1 Accounting policies

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

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

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

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

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

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

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

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

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

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

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

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 it 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.

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 years
Capitalised software	Over 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.

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.

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.

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 except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1 Accounting policies (Continued)

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

During the year, the directors 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.

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 queries and a provision is made against these based on the category of the query the transactions fall into.

2 Judgements and key sources of estimation uncertainty (Continued)

Valuation of intangibles

Acquisitions were made by Onecom Group Limited during the year. On acquisition, the directors made critical judgements in determining the allocation of the purchase price for the assets and liabilities acquired. The directors calculated the value of intangibles to be allocated to customer contracts, software and brand name 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. 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.

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 £31,682,794 (2020 - £21,291,000). The actual value to be paid is dependent on the future financial performance of the Group.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Commissions	83,363,631	54,910,749
Products	19,416,658	13,937,630
Solutions	64,340,973	21,244,894
Other	591,434	720,122
Services	838,898	1,249,703
	168,551,594	92,063,098

	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	168,551,594	92,063,098

4 Exceptional costs

	2021	2020
	£	£
Exceptional items	674,510	460,390

Exceptional items in the year relate to; directors compensation of £nil (2020 - £130,410), bank facility legal fees of £nil (2020 - £25,000), legal and professional fees on deal completion of £nil (2020 - £48,499), consultancy fees of £121,243 (2020 - £nil), failed project costs of £79,178 (2020 - £106,000), redundancy costs on deal completion of £360,073 (2020 - £150,480), restructuring and integration costs of £104,016 (2020 - £nil) and tax valuation services of £10,000 (2020 - £nil). These exceptional items lead to the operating profit being reduced by the sum of £674,510 (2020 - £460,390).

5 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Cost of sales	252	399	-	-
Administration	344	71	-	-
Directors	10	9	2	2
Total	606	479	2	2

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	25,638,480	18,335,845	100,000	103,775
Social security costs	2,903,522	1,934,292	11,361	11,382
Pension costs	612,397	429,234	-	-
	29,154,399	20,699,371	111,361	115,157

6 Operating profit/(loss)

	2021 £	2020 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(8,645)	(297,130)
Depreciation of owned tangible fixed assets	1,203,963	494,234
Loss on disposal of tangible fixed assets	15,077	117,241
Amortisation of intangible assets	20,528,707	11,713,928
Operating lease charges	866,872	576,428

7 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	39,000	18,375
Audit of the financial statements of the company's subsidiaries	190,000	71,750
	229,000	90,125
For other services		
Taxation compliance services	69,400	34,300
All other non-audit services	86,474	27,070
	155,874	61,370

8 Government grants

Government grants of £8,645 (2020 - £280,463) were received during the year in relation to the UK Government Coronavirus Job Retention Scheme and is included within other operating income.

Further government grants of £nil (2020 - £16,667) were received during the year in relation to the Wales Resilience Fund and is included within other operating income.

9 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	2,226	846
Interest refunded	13,348	130,881
Total income	15,574	131,727

10 Interest payable and similar expenses

	2021	2020
	£	£
Other interest on financial liabilities	19,193,763	12,059,827
Amortised debt arrangement fee	496,878	365,000
Total finance costs	19,690,641	12,424,827

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	3,262,947	1,394,226
Adjustments in respect of prior periods	(37)	(190,503)
Total current tax	3,262,910	1,203,723
Deferred tax		
Origination and reversal of timing differences	(2,191,517)	(1,019,090)
Changes in tax rates	2,599,700	-
Adjustment in respect of prior periods	(10,888)	899,122
Total deferred tax	397,295	(119,968)
Total tax charge	3,660,205	1,083,755

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:

	2021	2020
	£	£
Loss before taxation	(18,077,030)	(12,831,056)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(3,434,636)	(2,437,901)
Tax effect of expenses that are not deductible in determining taxable profit	4,529,396	3,682,788
Adjustments in respect of prior years	-	(190,522)
Effect of change in corporation tax rate	-	27,215
Group relief	1	-
Deferred tax adjustments in respect of prior years	(10,925)	(557)
Remeasurement of deferred tax for changes in tax rates	2,524,631	-
Deferred tax not recognised	51,826	2,732
Other tax adjustments, reliefs and transfers	(88)	-
Taxation charge	3,660,205	1,083,755

12 Intangible fixed assets

Group	Goodwill	Patents and licences	Capitalised software	Customer contracts	Brand name	Total
	£	£	£	£	£	£
Cost						
At 1 January 2021	65,986,604	21,890	644,873	53,484,000	5,333,000	125,470,367
Additions	-	338	212,799	-	-	213,137
Business combinations	43,501,864	-	18,967,800	47,466,900	1,788,000	111,724,564
At 31 December 2021	109,488,468	22,228	19,825,472	100,950,900	7,121,000	237,408,068
Amortisation and impairment						
At 1 January 2021	8,693,118	6,273	159,366	6,894,460	755,509	16,508,726
Amortisation charged for the year	9,809,578	1,467	2,681,796	7,353,566	682,300	20,528,707
At 31 December 2021	18,502,696	7,740	2,841,162	14,248,026	1,437,809	37,037,433
Carrying amount						
At 31 December 2021	90,985,772	14,488	16,984,310	86,702,874	5,683,191	200,370,635
At 31 December 2020	57,293,486	15,617	485,507	46,589,540	4,577,491	108,961,641

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets

Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2021	872,655	69,067	2,567,047	3,192,485	32,834	6,734,088
Additions	2,783	2,200	133,510	843,043	52,642	1,034,178
Business combinations	193,278	59,186	216,188	3,610,186	71,697	4,150,535
Disposals	-	-	-	-	(28,075)	(28,075)
At 31 December 2021	1,068,716	130,453	2,916,745	7,645,714	129,098	11,890,726
Depreciation and impairment						
At 1 January 2021	359,428	68,876	1,619,326	2,211,952	25,159	4,284,741
Depreciation charged in the year	55,489	2,088	137,250	998,662	10,474	1,203,963
Eliminated in respect of disposals	-	-	-	-	(6,739)	(6,739)
Business combinations	148,576	50,794	216,188	1,771,315	52,103	2,238,976
At 31 December 2021	563,493	121,758	1,972,764	4,981,929	80,997	7,720,941
Carrying amount						
At 31 December 2021	505,223	8,695	943,981	2,663,785	48,101	4,169,785
At 31 December 2020	513,227	191	947,721	980,533	7,675	2,449,347

The company had no tangible fixed assets at 31 December 2021 or 31 December 2020.

14 Fixed asset investments

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	1	1
Unlisted investments		8	8	-	-
		8	8	1	1

14 Fixed asset investments (Continued)

Movements in fixed asset investments
Group

	Investments other than loans
	£
Cost or valuation	
At 1 January 2021 and 31 December 2021	16,008
Impairment	
At 1 January 2021 and 31 December 2021	16,000
Carrying amount	
At 31 December 2021	8
At 31 December 2020	8

Movements in fixed asset investments
Company

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2021 and 31 December 2021	1
Carrying amount	
At 31 December 2021	1
At 31 December 2020	1

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 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	-	50.00
Glamorgan Telecom Limited+	*1	Communication and technology providers	Ordinary	-	100.00
GT Group Services Ltd+	*1	Holding company	Ordinary	-	100.00
Cablestream Ltd+	*1	Communication and technology providers	Ordinary	-	100.00
Nice Network Ltd+	*1	Communication and technology providers	Ordinary	-	100.00
F2P (Group) Ltd+	*1	Holding company	Ordinary	-	100.00
9 Group (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

*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.

16 Acquisitions

On 19 February 2021 the group acquired 100% of the issued share capital of Olive Communications Solutions Limited including its 100% subsidiaries, Olive Business Solutions Limited and ten dormant entities for consideration of £21,494,316.

	Book Value	Adjustments	Fair Value
	£	£	£
Intangible assets	-	19,385,000	19,385,000
Property, plant and equipment	1,850,749	-	1,850,749
Inventories	51,810	-	51,810
Trade and other receivables	30,353,158	-	30,353,158
Cash and cash equivalents	3,895,145	-	3,895,145
Tax liabilities	(99,192)	-	(99,192)
Trade and other payables	(43,254,394)	-	(43,254,394)
Deferred tax	-	(4,846,250)	(4,846,250)
Total identifiable net assets	(7,202,724)	14,538,750	7,336,026
Goodwill			14,158,290
Total consideration			21,494,316

The consideration was satisfied by:	£
Cash	21,036,245
Deal costs	458,071
	21,494,316

The trade and assets of Olive Business Solutions Limited were hived up into fellow group company, Onecom Limited following acquisition. Due to this, the directors have been unable to quantify the contribution by the acquired businesses for the reporting period included in the consolidated statement of comprehensive income since acquisition.

16 Acquisitions (Continued)

On 28 February 2021 the group acquired 100% of the issued share capital of F2P (Group) Ltd including its 100% subsidiaries, 9 Group (Holdings) Ltd, Onecom Partners Limited and 9 Group (Retail) Ltd for consideration of £57,097,362.

	Book Value	Adjustments	Fair Value
	£	£	£
Intangible assets	-	43,304,700	43,304,700
Trade and other receivables	61,508	-	61,508
Trade and other payables	(60,508)	-	(60,508)
Deferred tax	-	(10,826,175)	(10,826,175)
Total identifiable net assets	1,000	32,478,525	32,479,525
Goodwill			24,617,837
Total consideration			57,097,362

The consideration was satisfied by:	£
Cash	35,755,187
Deferred consideration	19,659,429
Deal costs	1,682,746
	57,097,362

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:	£
Turnover	32,704,874
Profit after tax	5,884,439

16 Acquisitions (Continued)

On 1 October 2021 the group acquired 100% of the issued share capital of IP Office Group Holdings Limited including its 100% subsidiaries, IP Office Limited and Voice Over IP Limited for consideration of £4,602,186.

	Book Value	Adjustments	Fair Value
	£	£	£
Intangible assets	-	2,721,000	2,721,000
Property, plant and equipment	55,068	-	55,068
Goodwill	16,791	(16,791)	-
Inventories	11,379	-	11,379
Trade and other receivables	335,985	-	335,985
Cash and cash equivalents	1,110,611	-	1,110,611
Trade and other payables	(1,210,633)	-	(1,210,633)
Tax liabilities	(144,927)	-	(144,927)
Deferred tax	-	(680,250)	(680,250)
Total identifiable net assets	174,274	2,023,959	2,198,233
Goodwill			2,403,953
Total consideration			4,602,186

The consideration was satisfied by:	£
Cash	4,078,713
Deferred consideration	349,594
Deal costs	173,879
	4,602,186

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:	£
Turnover	687,291
Profit after tax	101,046

16 Acquisitions (Continued)

On 3 December 2021 the group acquired 100% of the issued share capital of Russell Telecom Limited including its 100% subsidiary, Russell Midco 2 Ltd for consideration of £5,561,710.

	Book Value	Adjustments	Fair Value
	£	£	£
Intangible assets	-	2,812,000	2,812,000
Property, plant and equipment	5,742	-	5,742
Inventories	55,854	-	55,854
Trade and other receivables	1,422,346	-	1,422,346
Cash and cash equivalents	206,419	-	206,419
Trade and other payables	(248,760)	-	(248,760)
Tax liabilities	(115,772)	-	(115,772)
Provisions	(195,624)	-	(195,624)
Deferred tax	-	(703,000)	(703,000)
Total identifiable net assets	1,130,205	2,109,000	3,239,205
Goodwill			2,322,505
Total consideration			5,561,710

The consideration was satisfied by:	£
Cash	1,276,102
Deferred consideration	4,132,770
Deal costs	152,838
	5,561,710

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:	£
Turnover	259,195
Loss after tax	(14,354)

17 Stocks

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Finished goods and goods for resale	2,334,259	1,226,077	-	-

18 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	10,332,455	7,811,571	-	-
Corporation tax recoverable	-	802,382	-	-
Amounts owed by group undertakings	-	-	77,682,624	54,227,340
Other debtors	36,272,870	27,341,132	-	15,634
Prepayments and accrued income	16,620,748	10,069,647	-	-
	63,226,073	46,024,732	77,682,624	54,242,974
Deferred tax asset (note 24)	18,811	2,272	-	-
	63,244,884	46,027,004	77,682,624	54,242,974
Amounts falling due after more than one year:				
Other debtors	20,796,909	16,747,689	-	-
Total debtors	84,041,793	62,774,693	77,682,624	54,242,974

19 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Obligations under finance leases	22	2,606	-	-	-
Trade creditors		56,660,468	39,885,723	-	-
Amounts owed to group undertakings		-	-	1,520,689	1,192,675
Corporation tax payable		2,678,094	147,208	-	-
Other taxation and social security		5,520,224	6,265,848	4,060	3,424
Other creditors		1,530,860	3,609,566	-	-
Accruals and deferred income		34,690,263	17,121,587	18,157,663	10,752,517
		101,082,515	67,029,932	19,682,412	11,948,616

20 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Other borrowings	21	198,983,397	111,873,609	56,683,397	52,173,609
Other creditors		31,336,644	18,791,000	-	-
		230,320,041	130,664,609	56,683,397	52,173,609

Other borrowings of £198,983,397 (2020 - £111,873,609) are secured by a fixed and floating charge over the groups assets.

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

Payable other than by instalments	142,300,000	59,700,000	-	-

21 Borrowings

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other loans	198,983,397	111,873,609	56,683,397	52,173,609
Payable after one year	198,983,397	111,873,609	56,683,397	52,173,609

Other loans of £198,983,397 (2020 - £111,873,609) are secured by a fixed and floating charge over the groups assets.

Other loans of £142,300,000 (2020 - £59,700,000) are repayable in 4 years and interest is payable at 7% for the term of the loan. The remaining balance of loan notes of £56,683,397 (2020 - £52,173,609) are repayable in 6 years and interest is payable at 12% for the term of the loan.

22 Finance lease obligations

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
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.

23 Provisions for liabilities

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Dilapidations		147,459	147,459	-	-
Deferred tax liabilities	24	27,737,776	9,971,551	-	-
		27,885,235	10,119,010	-	-

Movements on provisions apart from deferred tax liabilities:

	Dilapidations
Group	**£**
At 1 January 2021 and 31 December 2021	147,459

24 Deferred taxation

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

	Liabilities	Liabilities	Assets	Assets
	2021	2020	2021	2020
Group	£	£	£	£
Accelerated capital allowances	566,331	258,215	18,811	2,272
Arising on business combinations	27,171,445	9,713,336	-	-
	27,737,776	9,971,551	18,811	2,272

The company has no deferred tax assets or liabilities.

	Group	Company
	2021	2021
Movements in the year:	£	£
Liability at 1 January 2021	9,969,279	-
Credit to profit or loss	(2,027,357)	-
Arising on business combinations	19,777,043	-
Liability at 31 December 2021	27,718,965	-

Due to a change in the deferred tax rate from 19% to 25%, additional deferred tax of £2,721,368 was recognised in the year.

25 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	612,397	429,234

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.

26 Share capital

	Group and company	
	2021	2020
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 (2020 - 7,331) Ordinary D shares of 20p each	2,930	1,466
5 Ordinary E shares of 20p each	1	-
	9,047	7,582

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

During the current 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.

27 Reserves

Equity reserve
Cumulative profit and loss net of distributions to owners.

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

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

28 Cash generated from group operations

	2021	2020
	£	£
Loss for the year after tax	(21,737,235)	(13,914,811)
Adjustments for:		
Taxation charged	3,660,205	1,083,755
Finance costs	19,690,641	12,424,827
Investment income	(15,574)	(131,727)
Loss on disposal of tangible fixed assets	15,077	117,241
Amortisation and impairment of intangible assets	20,528,707	11,713,928
Depreciation and impairment of tangible fixed assets	1,203,963	494,234
Impairment of investments	-	1,289
Movements in working capital:		
(Increase) in stocks	(989,139)	(556,215)
Decrease/(increase) in debtors	10,120,054	(4,088,574)
(Decrease)/increase in creditors	(20,883,650)	10,178,439
(Decrease) in deferred income	-	(94,859)
Cash generated from operations	11,593,049	17,227,527

29 Analysis of changes in net debt - group

	1 January 2021	Cash flows	Other non-cash changes	31 December 2021
	£	£	£	£
Cash at bank and in hand	15,970,671	14,262,720	-	30,233,391
Borrowings excluding overdrafts	(111,873,609)	(87,109,788)	-	(198,983,397)
Obligations under finance leases	-	-	(2,606)	(2,606)
	(95,902,938)	(72,847,068)	(2,606)	(168,752,612)

30 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		Company	
	2021	*2020*	*2021*	*2020*
	£	£	£	£
Within one year	1,161,004	534,803	-	-
Between one and five years	2,254,591	1,132,183	-	-
In over five years	326,833	385,896	-	-
	3,742,428	2,052,882	-	-

31 Events after the reporting date

In 2022, Onecom has continued to execute the inorganic growth plan. This resulted in the acquisition of the remaining share capital of Onecom (Southampton) in April 2022 (previously a 50% holding) and Solution IP Communications Limited in September 2022.