

Rocket AcqCo Limited

Annual Report and Financial Statements Year

Ended

31 December 2020

Company Number 10003106



Rocket AcqCo Limited

Company Information

Directors	C E Johnston J Butcher J Cheesewright M Rodger
Registered number	10003106
Registered office	18th Floor Millbank Tower 21-24 Millbank London SW1P 4QP
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Rocket AcqCo Limited

Contents

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 21

Rocket AcqCo Limited

Strategic Report for the Year Ended 31 December 2020

Review of business

The principal activity of the company is that of a holding company.

The strategy continues to be that of a trusted partner to the global digital ecosystem.

Market and trading dynamics

Rocket AcqCo is a holding company, however the company's financial interests are in the trading company – The Up Group. Despite the economic and social disruption caused by the COVID-19 pandemic, the financial performance of the group's main trading entity, The Up Group Limited, was consistent with that achieved in the prior year (both revenue and EBITDA).

The underlying market drivers for digital executive search services have been enhanced by the pandemic. Institutional investor demand for digital businesses has intensified and businesses with more traditional models are also accelerating their digital transformation programs. These dynamics are driving an increased need for digital leadership talent, and in turn, driving the demand for providers in the talent market. Consequently, demand for The Up Group's services has steadily increased from Q3 FY2020 onward, culminating in the business closing FY20 with a record level of work in progress. These dynamics have continued beyond the year-end in to FY21.

During FY21 the company assessed the impairment of the investment balance and based on external information decided to reverse this impairment. See note 11 for further details.

Principal risks and uncertainties

Financial risk management objective policies

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk.

Credit risk

The company, and the wider group, have strong cash flows. Systematic collection efforts and an established client base result in minimal bad debts.

Liquidity risk

The company, and the wider group, seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

Financial key performance indicators

Financial performance for the company has been analysed as follows:

	2020	2019
	£	£
Turnover	1,076,463	709,611
Gross profit	579,734	33,791

Rocket AcqCo Limited
Strategic Report (continued)
for the Year Ended 31 December 2020

Going concern

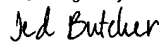
Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors have taken notice of the Financial Reporting Council guidance on 'Going concern and Liquidity Risk Guidance of Directors for the UK Companies 2009', which requires the reasons for the decision to be explained.

Based on the underlying trade of the wholly owned subsidiary, the directors have confirmed that The Up Group Limited would have sufficient resources to support the company. A sensitivity analysis has been performed to model the impact of a reduction in revenue and the impact on the business both in the short and medium term and the directors noted that the business would be resilient to the impact of these sensitivities. As a result of the analysis, and the strong trading performance throughout the year and also post year end, the directors have prepared the financial statements on the going concern basis and confirm that amounts due to group undertakings will not be called for a period of less than 12 months from date of approval of the financial statements.

Change in control

During the year, there was a change in control resulting in Auxey Holdco Limited becoming the ultimate controlling party – see note 19 for further details.

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

DocuSigned by:

.....585DF46CE6B449A.....
J Butcher
Director

Date: 16th June 2021

Rocket AcqCo Limited

Directors' Report for the Year Ended 31 December 2020

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

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 company and of the profit or loss of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Principal activity

The principal activity of the company is that of a holding company.

Directors

The directors who served during the year were:

C E Johnston

J Butcher

L Kingston (resigned 16 October 2020)

M Turner (appointed 28 October 2020 and resigned 1 December 2020)

J Cheesewright (appointed 1 December 2020)

M Rodger (appointed 1 December 2020)

Principal risks and uncertainties

Please refer to the strategic report on page 1 for the company's financial risk management and policies.

Rocket AcqCo Limited

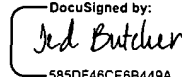
Directors' Report (continued) for the Year Ended 31 December 2020

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

DocuSigned by:

.....5850F46CE6B4A9A.....
J Butcher
Director

Date: 16th June 2021

Rocket AcqCo Limited

Independent Auditor's Report to the Members of Rocket AcqCo Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Rocket AcqCo Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 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 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 Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Rocket AcqCo Limited

Independent Auditor's Report to the Members of Rocket AcqCo Limited (continued)

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 Company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 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 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.

Rocket AcqCo Limited

Independent Auditor's Report to the Members of Rocket AcqCo Limited (continued)

Extent to which the audit was capable of detecting irregularities, including fraud

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

- The objectives of our audit, in respect to fraud, are; to identify and assess the risks 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, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to Rocket AcqCo Limited. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS 102 and the Companies Act 2006) and regulations impacting labour regulations and tax in the United Kingdom.

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and any material legal matters detected through our audit procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and key areas of estimation uncertainty or judgement, for example; recoverability of investments.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Rocket AcqCo Limited

Independent Auditor's Report to the Members of Rocket AcqCo Limited (continued)

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.

DocuSigned by:

Stuart Godfrey

Stuart Godfrey (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

17 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Rocket AcqCo Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	1,076,463	709,611
Cost of sales		(496,729)	(675,820)
Gross profit		579,734	33,791
Administrative expenses	5	8,536,655	(102,647)
Operating profit/(loss)		9,116,389	(68,856)
Income from shares in group undertakings	8	2,129,234	-
Interest payable and similar charges	9	(1,537,254)	(1,567,194)
Profit / (loss) before tax		9,708,369	(1,636,050)
Tax on profit	10	149,000	-
Profit / (loss) for the year		9,857,369	(1,636,050)

There was no other comprehensive income for 2020 (2019 - £nil).

The notes on pages 12 to 21 form part of these financial statements.

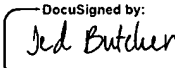
Rocket AcqCo Limited

Registered number: 10003106

**Statement of Financial Position
as at 31 December 2020**

	Note	2020 £	2019 £
Fixed asset			
Investments	11	24,156,519	15,000,000
Current assets			
Debtors	12	149,001	1
Cash at bank and in hand		3,611	3,028
		<u>152,612</u>	<u>3,029</u>
Creditors: amounts falling due within one year	13	(27,235,840)	(26,787,107)
Net current liabilities		<u>(27,083,228)</u>	<u>(26,784,078)</u>
Total assets less current liabilities		<u>(2,926,709)</u>	<u>(11,784,078)</u>
Creditors: amounts falling due within one year	14	-	(1,000,000)
Net liabilities		<u>(2,926,709)</u>	<u>(12,784,078)</u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account		(2,926,710)	(12,784,079)
		<u>(2,926,709)</u>	<u>(12,784,078)</u>

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

DocuSigned by:

 585DF46CE6B449A.....
J Butcher
 Director

Date: 16th June 2021

The notes on pages 12 to 21 form part of these financial statements.

Rocket AcqCo Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	1	(12,784,079)	(12,784,078)
Profit for the year	-	9,857,369	9,857,369
At 31 December 2020	<u>1</u>	<u>(2,926,710)</u>	<u>(2,926,709)</u>

Statement of Changes in Equity for the Year Ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	1	(11,148,029)	(11,148,028)
Loss for the year	-	(1,636,050)	(1,636,050)
At 31 December 2019	<u>1</u>	<u>(12,784,079)</u>	<u>(12,784,078)</u>

The notes on pages 12 to 21 form part of these financial statements.

Rocket AcqCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1. General information

Rocket AcqCo Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and principal activity is noted in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company is a qualifying entity and have therefore taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- The requirements of Section 33 Related Party Disclosures paragraph 33.7(a).

This information is included in the consolidated financial statements of Alexander Mann Group Limited, a company incorporated in the UK and registered in England and Wales, is the immediate parent company and the parent of the smallest Company for which consolidated financial statements are prepared. The company is a wholly owned subsidiary and therefore it is not required to prepare group financial statements. Copies of the consolidated financial statements of the ultimate parent company are available from 7 Bishopsgate, London EC2N 3AQ.

The following principal accounting policies have been applied:

2.2 Going concern

Based on the underlying trade of the wholly owned subsidiary, the directors have confirmed that The Up Group Limited would have sufficient resources to support the company. A sensitivity analysis has been performed to model the impact of a reduction in revenue and the impact on the business both in the short and medium term and the directors noted that the business would be resilient to the impact of these sensitivities. As a result of the analysis, and the strong trading performance throughout the year and also post year end, the directors have prepared the financial statements on the going concern basis and confirm that amounts due to group undertakings will not be called for a period of less than 12 months from date of approval of the financial statements.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the income can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rocket AcqCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. An impairment review is conducted on an annual basis, the charge or reversal of an impairment charge is recognised in the statement of comprehensive income.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.6 Financial instruments

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at transaction price (including transaction costs) and subsequently held at cost. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment loss.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the statement of comprehensive income.

Financial instruments and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Equity instrument

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing arrangement are initially measured at transaction price and subsequently measured at amortised cost, being transaction price less any amounts entitled.

Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Rocket AcqCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.8 Functional and presentational currency

The company's functional and presentational currency is GBP.

2.9 Finance costs

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

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Reserves

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

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

Impairment of investments (see note 11)

The company determines whether investments are impaired on an annual basis, or otherwise, when changes in events or situations indicate that the carrying value may not be recoverable. This requires an estimation of the recoverable amount for the individual investment. If an event has occurred resulting in the reversal of an impairment charge, the credit is recognised in the statement of comprehensive income.

Rocket AcqCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

4. Turnover

Turnover is wholly attributable to management charges receivable from group undertakings.

5. Operating profit

The operating profit is stated after crediting:

	2020	2019
	£	£
Reversal of impairment of investment	9,156,519	-

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2020	2019
	£	£
Wages and salaries	425,163	570,606
Social security costs	585,933	77,552
Other staff and pension costs	14,107	25,376
	<u>1,025,203</u>	<u>673,534</u>

The average number of employees in the year including directors was 1 (2019 - 1).

7. Directors' remuneration

Staff costs, including directors' remuneration, were as follows:

	2020	2019
	£	£
Directors' emoluments	427,603	590,540
Directors pension costs	11,667	7,727
	<u>439,270</u>	<u>598,267</u>

The highest paid director received remuneration of £439,270 (2019 – £598,267).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,667 (2019 – £7,727).

Rocket AcqCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

8. Income from shares in group undertakings

	2020 £	2019 £
Dividend receivable	<u>2,129,234</u>	<u>-</u>

9. Interest payable and similar charges

	2020 £	2019 £
Bank interest payable	48,365	78,305
Interest payable to group undertaking	<u>1,488,889</u>	<u>1,488,889</u>
	<u>1,537,254</u>	<u>1,567,194</u>

Rocket AcqCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(149,000)	-
Effect of changes in tax rates	-	-
Total deferred tax charge	(149,000)	-
Taxation on profit from ordinary activities	(149,000)	-

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2020 £	2019 £
Profit/(loss) before taxation	9,708,369	(1,636,050)
Tax on profit/(loss) at standard UK CT rate of 19% (2019 – 19%)	1,844,590	(310,850)
Effects of:		
Expenses not deductible for tax purposes	-	1,597
Income not taxable	(2,144,293)	-
Effect of share based payments	(727,609)	-
Effects of group relief	878,312	309,253
Current tax (credit)/charge	(149,000)	-

Finance Act 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 December 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that this reduction would not occur and the Corporation Tax Rate would be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year end.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as a result deferred tax balances as at 31 December 2020 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended 25% rate, the impact on the closing deferred tax position would be to increase the deferred tax asset by £47,053.

Rocket AcqCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

11. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2020	24,156,519
At 31 December 2020	24,156,519
Impairment	
At 1 January 2020	9,156,519
Reversal of impairment	(9,156,519)
At 31 December 2020	-
Net book value	
At 31 December 2020	24,156,519
At 31 December 2019	15,000,000

The Directors have considered the carrying value of the investments in subsidiary undertakings. Based upon the recent acquisition of the group and trading performance of the company's operating company The Up Group Limited the Directors have reversed the previous impairment charge in the year.

The following were subsidiary undertakings of the company:

Direct subsidiary undertakings

Name	Principal activity
Unique Profile Limited	Holding company

Indirect subsidiary undertakings

Name	Principal activity
The Up Group Limited	Executive search firm
Scale Digital Limited	Dormant company
The Up Group Inc.	Executive search firm

Unique Profile Limited, The Up Group Limited and Scale Digital Limited all share the same registered office as the company, which is shown on the company information page.

The subsidiary The Up Group AB a dormant company in Sweden was liquidated on 5 February 2020.

All of the subsidiaries are wholly controlled by virtue of the fact that the company owns 100% of the ordinary share capital of each of them.

Rocket AcqCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

12. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	1	1
Deferred tax (note 16)	149,000	-
	<u>149,001</u>	<u>1</u>

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	-	500,000
Amounts owed to group undertakings	27,235,840	26,286,428
Accruals and deferred income	-	679
	<u>27,235,840</u>	<u>26,787,107</u>

Included within amounts owed to group undertakings is an intercompany loan note principal of £14,888,887 (2019 - £14,888,887). Interest is charged on the loan at 10% per annum and is repayable on demand. The total value of the loan including interest was £21,880,545 (2019: £20,391,656) – see note 15.

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

	2020 £	2019 £
Bank loans	-	1,000,000
	<u>-</u>	<u>1,000,000</u>

During the year the loan outstanding was repaid in full.

Rocket AcqCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

15. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within 1 year		
Bank loans	-	500,000
Other loans	14,888,887	14,888,887
	14,888,887	15,388,887
	2020 £	2019 £
Amounts falling due 1-2 years		
Bank loans	-	500,000
	-	500,000
	2020 £	2019 £
Amounts falling due 2-5 years		
Bank loans	-	500,000
	-	500,000

In addition to the loan principal of £14,888,887, interest of £6,991,658 (2019: £5,502,769) is payable within 1 year.

16. Deferred Tax

	2020 £	2019 £
At beginning of year	-	-
Credited to statement of comprehensive income	149,000	-
At end of year	149,000	-
	2020 £	2019 £
Tax losses available	149,000	-
Other timing differences	-	-
	149,000	-

The deferred tax asset has been recognised on the basis that it is considered more likely than not that there will be suitable taxable profits in the entity from which the future reversal of the underlying timing differences can be deducted. There are no unprovided deferred tax assets.

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

	2020 £	2019 £
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

The company has taken advantage of the exemption provided by section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of the group, provided that any subsidiary undertaking, which is party to the transactions, is wholly owned by a member of the group.

During the year the company entered into transactions with a shareholder that has significant influence over the parent company:

	2020	2019
	£	£
Purchases	72,097	76,538

The amount outstanding at the year end was £nil (2019: £nil).

The company is a subsidiary of Rocket TopCo Limited which is a company incorporated in the United Kingdom.

As at 31 December 2020, Rocket TopCo Limited was a wholly owned subsidiary of Alexander Mann Group Limited.

During the year, the ultimate controlling party was Clare Johnston, and as a result of a transaction on 1 December 2020 this changed to Alexander Mann Group Limited, a company incorporated in the UK and registered in England and Wales. Alexander Mann Group Limited is the immediate parent company and the parent of the smallest company for which consolidated financial statements are prepared.

The Directors consider Auxey Holdco Limited, a company incorporated in Jersey, registered as a foreign company in England and Wales and tax resident in UK to be the ultimate parent company and ultimate controlling party.

Copies of the consolidated financial statements of the ultimate parent company and of the immediate parent company are available from 7 Bishopsgate, London EC2N 3AQ.