COMPANY REGISTRATION NUMBER: 10742305 (England and Wales)

Duster Topco Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2022

Duster Topco Limited (Registered number: 10742305)

Annual Report and Financial Statements

For the Year Ended 31 December 2022

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Duster Topco Limited (Registered number: 10742305)

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For the Year Ended 31 December 2022

DIRECTORS

Mohammed Azam

Geoff Lloyd

REGISTERED OFFICE

Longbow House
20 Chiswell Street
London
EC1Y 4TW

REGISTERED NUMBER

10742305 (England and Wales)

AUDITOR

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
RH6 0PA

Duster Topco Limited (Registered number: 10742305)

Strategic Report

For the Year Ended 31 December 2022

The Directors present the Strategic Report of the Company and the Group for the year ended 31 December 2022.

Principal activities
The Company's principal activity is that of a non-trading holding company. The principal activities of the Group are that of a recruitment agency for teachers and other school and nursery-based staff and the provision of training for staff covering behaviour management for children.

Strategy
The board has put in place an experienced senior management team to continue to grow and oversee the operations of the Group.

The Group's recruitment business has continued to invest in the technology underpinning its offering to its customers. The Group can analyse the key performance indicators by sector, region, client and consultant allowing management to redirect resources as required. The Directors expect this investment to continue during 2023 and beyond.

The Group's training business which was acquired during 2018 has undergone significant investment since acquisition, in the overall headcount, marketing and branding of the business which has enabled the business to increase its reach within and outside the education sector both nationally and internationally. Furthermore, the division has invested significantly in digitisation in 2022 which is expected to continue for the first half of 2023. This investment resulted in cash being lower than the 2021 despite improved trading performance.

As part of achieving its vision, the Group has defined financial objectives for growth in both sales and profitability. There are also supporting non-financial objectives included for the development of new and enhanced services. The Group benefits from centralised support services, allowing for some cost savings and increasing its speed of service.

Financial review

The Group considers revenue, gross and operating profit as its key performance indicators and measures of progress. The Directors are continually reviewing the performance and productivity of the Company. 2022 saw the first full year of trading since the Covid-19 pandemic and saw a strong recovery with revenue increasing year on year from £31.0 million to £42.0 million. Gross profit margin also improved from 40% in 2021 to 42% in 2022. Operational enhancements and an emphasis on cost control led to an operating profit of £1.1 million in 2022 (2021: operating loss of £1.2 million).

Key performance indicators	2022 £	2021 £
Revenue	42.0m	31.0m
Gross profit	17.6m	12.5m
Gross profit margin	42%	40%

The results for the year have mainly been driven by the following factors:

- Hiring of more experienced revenue generating staff, increasing overall productivity per head;
- Reduction in administration staff cost as a percentage of Gross Profit;
- Reduction in operating costs as a percentage of Gross Profit; and
- Continued investment in the website and branding to increase the profile of the Group.

Gross profit margin showed continued progression from the prior year. In recruitment and training, the consultants and managers are financially rewarded to increase gross profit, and this is reported on a frequent basis within the Group. In addition, in the training division, the Company sells courses at fixed prices which ensures stable margins are achieved on a course by course basis.

Good staff are key to the overall success of the Group. Management tracks and monitors staffing levels on a monthly basis.

During the year on 6 December 2022 the Group refinanced the term loan, CBILs, and revolving credit facilities, and negotiated new term loan facilities with its existing lender National Westminster Bank Plc comprising of:

- a term loan facility (facility A) of £4.8 million at a margin of SONIA plus 3.50-4.25% and has capital repayments quarterly until its termination on 31 December 2027; and

- a term loan facility (facility B) of £8.4 million at a margin of SONIA plus 4.00-4.75% and is repayable in full at its termination on 31 December 2028.

Principal risks and uncertainties

Attracting high calibre staff

The education recruitment sector is a competitive market within the UK. Competitors are keen to hold on to staff who perform well. The Group continues to attract high calibre individuals through a market leading commission scheme and career progression opportunities.

Funding

Most schools within the UK are reliant on public funds to finance their operations. Schools continue to tightly manage their budgets. Tighter budgets affect the number of teachers a school can employ and can therefore mean higher pupil numbers in the classroom. The tighter budgets also impact on how schools allocated their learning and development funding which may have an impact on their ability to commit to training courses for their staff.

However, there is always demand for good and well trained teachers in the UK and the Group focuses on two principles:

- attracting high calibre candidates and working with them to find the right role within the UK education system; and
- providing access to behaviour management programmes to enable staff to deal with behavioural challenges in the class room.

Interest rate risk

The group is party to two term loan facilities with RBS. Term loan facility (facility A) of £4.8 million at a margin of SONIA plus 3.50-4.25% and has capital repayments quarterly until its termination on 31 December 2027. Term loan facility (facility B) of £8.4 million at a margin of SONIA plus 4.00-4.75% and is repayable in full at its termination on 31 December 2028.

The Group is party to a shareholder loan from certain funds that are managed by Graphite Capital General Partner VIII LLP. The shareholder loan notes attract an annual compounding interest rate of 10%. Interest is accrued and payable on repayment of the principal. No interest has been paid to date.

The Group has chosen not to hedge the interest rate risk. The Board will continue to monitor the macro environment and take appropriate action should they feel the outlook will change.

Future Developments

The Board is confident with the senior team in place the Group will achieve its short-term financial performance targets. The Group is seeking to grow additional revenue streams for both recruitment and training divisions through the creation of new office locations. Further, the Group is commencing with a digitisation program of the training division.

The Group continues to invest in the business, offering more bespoke recruitment and training services to meet the needs of schools and academies, whilst reducing overhead levels.

Section 172 statement

Section 172 of the Companies Act 2006 sets out the duty of the Directors to take into consideration the interests of stakeholders into their decision making. The Directors consider its employees, teachers (direct and agency), schools (including trusts and academies), suppliers, trainers, and the ultimate shareholders as the key stakeholders of the Group. The Directors act in good faith promoting what is likely to be in the long-term interests of the Group in a fair and transparent manner for the benefit of key stakeholders, having particular regard to the following:

Section 172 statement (continued)

The likely consequences of any decision in the long term
The long-term objective of the Group is to grow the year on year number of teacher days, permanent placements and training courses in a sustainable manner, whilst maximising returns to shareholders. The Directors acknowledge the fiduciary duty to all stakeholder groups ensuring they are considered during their decision making process. Key long-term strategic decisions such as expanding the London, Midlands and Manchester hubs, and enhancing the training divisions infrastructure by recruiting Business Development Managers to capitalise on demand for 'behaviour management' training courses were ratified by the Group's ultimate shareholders.

The interests of the Group's employees
The Directors are committed to attracting, retaining and rewarding high calibre candidates, providing them with progression opportunities and a rewarding career. The Directors recognise the Group is a people-based business and its employees are key to its ongoing success. As such, the Directors enhanced the reward scheme in 2021 to recognise and reward high performing employees. Additionally, the Directors launched employee mental fitness courses to promote and encourage the wellbeing of its employees. The Group is committed to providing its employees with a safe, happy and inclusive workplace environment without discrimination of any kind. The Group acknowledges its responsibility to its employees by actively engaging with them via the HR intranet site, constantly updating them with relevant information on employee specific matters, financial and economic factors and the performance of the Group. The intranet site includes functionality for employees to ask questions and raise matters anonymously to the Directors. Additionally, the Group undertakes a biennial staff survey for employees to express views, ask questions and raise concerns anonymously.

The need to foster the Group's business relationships with suppliers, customers and others
As a key supplier of teachers, teaching staff and training into schools across the UK, the Group is acutely aware of the need to build and maintain mutually beneficial long-term relationships with schools and suppliers if the Group is to deliver on its strategy. This engagement led to the Directors further strengthen the Groups ability to source overseas candidates which teach subjects in acute subject shortage areas. The Group's continuing success and growth relies on its reputation of attracting high calibre candidates and delivering best in class training courses by building trust with schools and suppliers, balancing value for money with quality candidates and service levels.

The desirability of the Group maintaining a reputation for high standards of business conduct
The Directors recognise the importance of operating in an economically, environmentally and socially responsible way with a robust candidate compliance and corporate governance framework enabling the Group to maintain its 'REC' registration by being independently audited by The Recruitment & Employment Confederation, and its "ICM" and "BILD" accreditations held by its training business. The Group operates within various strict compliance frameworks to ensure candidates and trainers can and are allowed to work in schools. The Directors have tight internal audit processes to ensure standards are maintained, consistently applied and strictly adhered to by the recruitment consultants and trainers. All employees, trainers and teachers, are required to adhere to its Health and Safety, Modern Slavery, Diversity and Inclusion and Anti Bribery policies. The Directors monitor compliance with relevant governance standards to help assure its decisions promote high standards of business conduct.

The need to act fairly between stakeholders of the company
After weighing up all relevant factors, the Directors consider which course of action best enables delivery of the Group's long-term strategy, taking into consideration the various impacts on stakeholders. In doing so, the Directors act in good faith in a fair and transparent manner balancing as best they can the Group's interest with the other stakeholders. This can sometimes mean certain stakeholder interests may not be always fully aligned. Whilst the Group has different classes of share on issue, with a majority owner, the Directors recognise their legal and regulatory duties not to take any decisions or actions, which would provide any shareholder or group of shareholders with any unfair advantage compared to the shareholders as a whole.

The Directors are satisfied that they have met the requirements of the Companies Act 2006, in particular section 172.

Approved on behalf of the Board:

DocuSigned by:
M Azam
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M Azam
Director

29 June 2023

Duster Topco Limited (Registered number: 10742305)

Directors' report

For the Year Ended 31 December 2022

The Directors present the report with the financial statements of the Company and the Group for the year ended 31 December 2022.

Directors
The Directors who held office during the year to the date of this report are as follows:

M Azam
G Lloyd

Dividends

No dividends will be distributed for the year ended 31 December 2022.

Financial instruments

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering contracts. Most customers are government funded and are therefore low risk. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions.

Liquidity risk
Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Board receives rolling cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under reasonably expected circumstances.

Going concern
The Directors believe the Company and Group to be a going concern and the financial statements have been prepared on that basis. For the year ended 31 December 2022 the Duster Topco Limited consolidated Group made an operating profit of £1.1m (2021: loss of £1.2m) and had net liabilities of £14.7m (2021: £14.1m) and cash of £3.0m (2021: £4.0m) on its balance sheet as at 31 December 2022.

The Directors prepared and stress tested detailed budgets and cash flow forecasts based on a variety of scenarios, primarily focused on a downturn in trading, to gauge the effects on the Group specifically on revenue, trade debtors, working capital and the ability of the Group to satisfy group banking covenants and capital repayments. The cash flow forecasts and scenarios included mitigating actions management could take, such as reducing overheads and headcount to preserve cash.

The Directors are continually assessing the Group's performance and financial position. As a resilient business with strong subsequent trading, the Directors believe the Company and Group can meet their liabilities as they fall due for a period of at least 12 months from the date of the approval of these financial statements to be a going concern for the foreseeable future.

Likely future developments in the business of the company
Information on likely future developments in the business of the Company has been included in the Strategic Report.

Employment of disabled persons
The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it. The Group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the Group, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the Group. Retraining of employees who become disabled whilst employed by the Group is offered where appropriate.

Statement as to disclosure of information to the auditor
So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and the Directors have taken all the steps that ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
The auditor, BDO LLP, will be proposed for re-appointment by the Board.

Approved on behalf of the Board:

DocuSigned by:

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M Azam
Director

29 June 2023

Duster Topco Limited (Registered number: 10742305)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Report of Directors' 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 Group and Company 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 year.

- 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; 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 Group 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.

Duster Topco Limited (Registered number: 10742305)

Report of the independent auditor to the members of Duster Topco Limited

Opinion on the financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Duster Topco Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, Company Balance Sheet and Company Cash Flow Statement, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the 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.

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 and 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 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.

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 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 Report of the Directors have been prepared in accordance with applicable legal requirements.

Duster Topco Limited (Registered number: 10742305)

Report of the independent auditor to the members of Duster Topco Limited (continued)

Other Companies Act 2006 reporting (continued)

In the light of the knowledge and understanding of the Group and Parent 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 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 Statement of Directors' responsibilities, 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.

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:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- addressing the risk of management override of internal controls, including testing journal entries processed during and subsequent to the year and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud; and
- considering the company's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the company financial statements.

Report of the independent auditor to the members of Duster Topco Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)
Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud in revenue recognition we designed audit procedures that specifically address the fraud risk due to improper revenue recognition.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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: 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Nicola Small
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Nicola Small (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, United Kingdom

29 June 2023

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

Duster Topco Limited (Registered number: 10742305)

Consolidated income statement

For the Year Ended 31 December 2022

	Notes	2022 £	2021 £
Turnover	3	42,033,902	30,991,885
Cost of sales		(24,470,646)	(18,523,083)
Gross profit		17,563,256	12,468,802
Administrative expenses		(16,506,330)	(13,801,177)
Other income		-	129,396
Operating profit / (loss)	6	1,056,926	(1,202,979)
Interest payable and similar expenses	7	(1,611,042)	(1,289,041)
Loss before taxation		(554,116)	(2,492,020)
Tax charge for the period	8	(109,901)	(347,768)
Loss for the year		(664,017)	(2,839,788)

Loss and for the year attributable to:

Non-controlling interest	43,593	43,197
Owners of the parent company	(707,610)	(2,882,985)
	(664,017)	(2,839,788)

All amounts relate to continuing activities. The notes form part of these financial statements.

Duster Topco Limited (Registered number: 10742305)

Statement of comprehensive income

For the Year Ended 31 December 2022

	2022	2021
	£	£
Loss for the year	(664,017)	(2,839,788)
Other comprehensive income:		
Exchange differences on translation of foreign operations	27,426	-
Total comprehensive loss for the year	(636,591)	(2,839,788)
Loss and total comprehensive loss for the year attributable to:		
Non-controlling interest	43,593	43,197
Owners of the parent company	(680,184)	(2,882,985)
	(636,591)	(2,839,788)

Duster Topco Limited (Registered number: 10742305)

Consolidated balance Sheet

As at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	10	10,099,901	10,415,920
Tangible assets	11	292,415	448,260
		10,392,316	10,864,180
Current assets			
Debtors: Amounts falling due within one year	12	4,776,975	3,754,967
Stocks	13	17,075	-
Cash at bank and in hand		3,010,312	3,990,132
		7,804,362	7,745,099
Current liabilities			
Creditors: Amounts falling due within one year	14	(7,471,172)	(7,499,127)
Net current assets		333,190	245,972
Total assets less current liabilities		10,725,506	11,110,152
Creditors: Amounts falling due after one year	15	(23,116,408)	(22,930,076)
Provision for liabilities	17	(2,354,819)	(2,290,456)
Net liabilities		(14,745,721)	(14,110,380)
Capital and reserves			
Called up share capital	18	17,946	17,946
Share premium	19	7,293,178	7,291,928
Minority interest		141,980	98,387
Foreign currency translation reserve		27,426	-
Retained earnings		(22,226,251)	(21,518,641)
Shareholders' funds		(14,745,721)	(14,110,380)

The notes form part of these financial statements. The financial statements were approved by the Board on 29 June 2023 and were signed on its behalf by:

DocuSigned by:

M Azam

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M Azam
Director

Duster Topco Limited (Registered number: 10742305)

Company balance Sheet

As at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Investments	9	1	1
		1	1
Current assets			
Debtors: Amounts falling due within one year	12	7,322,375	7,321,125
		7,322,375	7,321,125
Net current assets		7,322,375	7,321,125
Total assets less current liabilities		7,322,376	7,321,126
Non-current liabilities			
Creditors: Amounts falling due after one year	14	-	-
		-	-
Net assets		7,322,376	7,321,126
Capital and reserves			
Called up share capital	17	17,946	17,946
Share premium	18	7,293,178	7,291,928
Retained earnings		11,252	11,252
Shareholders' funds		7,322,376	7,321,126

The Company has taken advantage of the exemption not to present the Company Income Statement.

The notes form part of these financial statements. The financial statements were approved by the Board on 29 June 2023 and were signed on its behalf by:

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M Azam
Director

Duster Topco Limited (Registered number: 10742305)

Consolidated cash flow statement

For the Year Ended 31 December 2022

	Notes	2022 £	2021 £
Net cash flow from operating activities	20	2,254,506	172,545
Cash flow from investing activities			
Interest received		-	-
Purchase of tangible and intangible assets	10,11	(1,829,232)	(294,190)
Net cash outflow from investing activities		(1,829,232)	(294,190)
Cash flow from financing activities			
(Repayment) / proceeds from bank rolling credit facility	14,15	(10,349,000)	2,350,000
Proceeds from bank loan facilities	14,15	13,200,000	1,500,000
Repayment of bank loan facilities		(3,750,000)	(1,500,000)
Net decrease in invoice discounting facility		(40,743)	(31,602)
Capitalised loan fees		(466,601)	-
Proceeds from shareholder loan facilities	15	-	-
Share issue	19	1,250	20,000
Net cash (outflow) / inflow from financing activities		(1,405,094)	2,338,398
Net (decrease) / increase in cash		(979,820)	2,216,753
Cash at the beginning of the year		3,990,132	1,773,379
Cash at the end of the year		3,010,312	3,990,132

Duster Topco Limited (Registered number: 10742305)

Statement of Changes in Equity

For the Year Ended 31 December 2022

Group

	Called up share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the parent company	Minority interest	Total Equity
	£	£	£	£	£	£	£
Balance at 1 January 2021	17,946	7,276,928	-	(18,640,656)	(11,345,782)	55,190	(11,290,592)
Movements during the year	-	20,000	-	-	20,000	-	20,000
Transfers	-	(5,000)	-	5,000	-	-	-
Loss for the year	-	-	-	(2,882,985)	(2,882,985)	43,197	(2,839,788)
Balance at 31 December 2021	17,946	7,291,928	-	(21,518,641)	(14,208,767)	98,387	(14,110,380)
Movements during the year	-	1,250	-	-	1,250	-	1,250
Transfers	-	-	-	-	-	-	-
Loss for the year	-	-	-	(707,610)	(707,610)	43,593	(664,017)
Exchange differences on translation of foreign operations	-	-	27,426	-	27,426	-	27,426
Balance at 31 December 2022	17,946	7,293,178	27,426	(22,226,251)	(14,887,701)	141,980	(14,745,721)

Company

	Called up share capital	Share premium	Retained earnings	Total
	£	£	£	£
Balance at 1 January 2021	17,946	7,276,928	6,252	7,301,126
Movements during the year	-	20,000	-	20,000
Transfers	-	(5,000)	5,000	-
Loss and total comprehensive loss	-	-	-	-
Balance at 31 December 2021	17,946	7,291,928	11,252	7,321,126
Movements during the year	-	1,250	-	1,250
Transfers	-	-	-	-
Loss and total comprehensive loss	-	-	-	-
Balance at 31 December 2022	17,946	7,293,178	11,252	7,322,376

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Duster Topco Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Group's operations and its principal activities are set out in the Strategic Report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom. The financial statements cover the year ended 31 December 2022.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The following principal accounting policies have been applied:

Basis of consolidation
The consolidated financial statements present the results of Duster Topco Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Going concern

The Directors believe the Company and Group to be a going concern and the financial statements have been prepared on that basis. For the year ended 31 December 2022 the Duster Topco Limited consolidated Group made an operating profit of £1.1m (2021: loss of £1.2m) and had net liabilities of £14.7m (2021: £14.1m) and cash of £3.0m (2021: £4.0m) on its balance sheet as at 31 December 2022.

The Directors prepared and stress tested detailed budgets and cash flow forecasts based on a variety of scenarios, primarily focused on a downturn in trading, to gauge the effects on the Group specifically on revenue, trade debtors, working capital and the ability of the Group to satisfy group banking covenants and capital repayments. The cash flow forecasts and scenarios included mitigating actions management could take, such as reducing overheads and headcount to preserve cash.

The Directors is continually assessing the Group's performance and financial position. As a resilient business with strong subsequent trading, the Directors believe the Company and Group can meet their liabilities as they fall due for a period of at least 12 months from the date of the approval of these financial statements to be a going concern for the foreseeable future.

2. ACCOUNTING POLICIES (continued)

Turnover
Turnover represents amounts receivable for services net of VAT.

Turnover from the recruitment placements of temporary teachers and school support staff is recognised when the Group has confirmed timesheets for the work complete. Turnover fees earned for the placement of permanent school staff is recognised at the start date for the placement.

Revenue from the provision of training courses is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of Services
Revenue from a contract to provide services is recognised in the year in which the services are provided. In the Group's case this is the year in which the course is held. Revenue is recognised once the following stages of completion are satisfied:

- the amount of revenue can be measured reliably; it is probable that the Group will receive consideration due under the Contract;
- the amount to be invoiced has been agreed with the client and their request for services has been submitted;
- the request for services has been processed and an invoice with our cancellation terms has been provided to the client;
- the costs incurred and the costs to complete the contract can be measured reliably; and
- the service has been delivered to the client.

Tangible fixed assets
Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation
Land and freehold buildings are not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Fixtures, fittings and equipment	20% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

Financial assets
Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Valuation of investments
Investments in subsidiaries are measured at cost less accumulated impairment.

2. **ACCOUNTING POLICIES (continued)**

Intangible assets

a) Goodwill
Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 5 years. Goodwill is being amortised to 'administrative expenses' over periods ranging from 3 to 10 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

(b) Brands, intellectual property, customer and participants lists
By acquiring subsidiary companies, some future profits are generated by trading with existing clients of the acquisition target companies', and many clients trade with them due to their ongoing relationship with that company. At the time of acquisition of the subsidiary companies', customer lists and their brands are valued at fair value based on the length of time the company has traded with their customers, the turnover and gross profit generated from the customer, and the likelihood of further profits as a result of that relationship. They are then discounted using the Group's current cost of capital.

The acquisition of Team Teach Ltd included the intellectual property of the training techniques and course material for the delivery of behaviour management techniques to education staff in schools. The Group expects the intellectual properly to derive future profits over a 10 year period due to the unique techniques specific to Team Teach Limited. The customer lists are also expected derive future economic benefit as participants of Team Teach Limited training require refresher courses at regular intervals to ensure their training is up to date.

The expected useful economic life of the acquired intellectual property and customer lists are estimated based on contract length, trading history and commercial due diligence undertaken by the Group prior to acquiring the target companies'. The capitalised intellectual property and customer list costs are subsequently amortised to 'administrative expenses' on a straight-line basis over their expected useful economic lives, which range from 5 to 10 years.

(c) Development costs
Intangibles assets are recognised during the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives, which range from 5 to 10 years. Amortisation begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management.

Financial liabilities 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.

Finance costs
Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Loan arrangement fees are capitalised to the balance sheet to offset against debt liabilities and amortised accordingly.

Cash and cash equivalents
Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Pension costs
Contributions to the Group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

2. **ACCOUNTING POLICIES (continued)**

Current and deferred taxation
The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- 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;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leased assets: Lessee
Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

Reserves
The Group's reserves are as follows:

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

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

2. ACCOUNTING POLICIES (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgement:

- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

- *Trade debtors*
  Recoverability of trade debtors, determine whether there are any indicators that the trade debtors are not fully recoverable. Factors taken into consideration are the trading history of the debtor, market and economic conditions.

- *Intercompany debtors*
  Recoverability of intercompany debtors, determine whether there are any indicators that the intercompany debtors are not fully recoverable. Factors taken into consideration are the trading history of the debtor, market and economic conditions.

- *Tangible fixed assets (see note 11)*
  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Amortisation of intangible assets*
  In estimating the appropriate useful life of intangible assets.

3. TURNOVER

Turnover is generated primarily in the United Kingdom and mainly relates to the placement of temporary teachers and support staff and the provision of training courses. Team Teach Asia-Pacific Pty Limited has generated £0.9m (2021: £0.9m) of turnover in Australia.

4. EMPLOYEES

Group	2022 £	2021 £
Wages and salaries	19,827,199	14,239,686
Social security costs	2,029,739	1,378,466
Other pension costs	249,174	146,919
	22,106,112	15,765,071

The average number of employees (including Directors) employed by the Group during the period was as follows:

Group	2022	2021
Recruitment consultants	88	77
Staff	58	58
Teachers	784	529
	930	664

The Company has no employees and therefore no staff costs. The cost of the Directors are borne by other Group companies.

5. DIRECTORS' REMUNERATION

	2022 £	2021 £
Directors' remuneration	628,947	414,202
Pension costs	1,321	1,318
	630,268	415,520

Remuneration disclosed above includes the following amounts for the highest paid Director:

	2022 £	2021 £
Directors' remuneration	578,947	352,535
Pension costs	1,321	1,318
	580,268	353,853

During the year one (2021: one) Director was accruing pension balances.

6. OPERATING PROFIT / (LOSS)

The operating profit / (loss) is stated after charging / (crediting):

	2022 £	2021 £
Other operating leases	527,352	663,061
Depreciation - owned assets	136,488	123,858
Amortisation	2,164,506	2,255,984
Auditor's remuneration:		
- fees for the audit of the company	3,730	3,730
- other non-audit fees of the company	158,641	1,816
- fees for the audit of subsidiary companies	81,279	69,820
- other non-audit fees subsidiary companies	42,934	31,306
Government grants	-	(129,396)

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Interest payable and similar expenses	1,611,042	1,289,041
	1,611,042	1,289,041

8. TAXATION

Analysis of the tax charge

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

	2022 £	2021 £
Current tax:		
Current tax on losses of the year	65,687	-
Foreign taxation	27,421	112,758
Adjustments in respect of prior year	(47,570)	(52,073)
Total current tax charge	45,538	60,685
Deferred tax:		
Origination and reversal of timing differences	147,095	(333,407)
Adjustments in respect of prior year	(82,732)	724
Effect of tax rate change on opening balance	-	619,766
Tax on loss on ordinary activities	109,901	347,768

Reconciliation of total tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Loss before taxation	(554,116)	(2,492,020)
Loss at standard rate of UK corporation tax of 19% (2020: 19%)	(105,282)	(473,484)
Effects of:		
Fixed asset differences	(104,657)	-
Expenses not deductible for tax purposes	165,174	150,904
Adjustments in respect of previous periods	(47,570)	(52,073)
Adjustments in respect of previous periods - deferred tax	(82,732)	724
Deferred tax not recognised	158,725	874,252
Remeasurement of deferred tax for changes in tax rates	99,459	(196,637)
Foreign taxation - other	26,784	44,081
Other movements	-	1
Total tax charge for the period	109,901	347,768

The UK Government announced that the main rate of corporation tax of 25% will be effective from 1 April 2023.

Duster Topco Limited (Registered number: 10742305)

Notes to the Financial Statements (continued)
For the Year Ended 31 December 2022

9. INVESTMENTS

Company	Unlisted investments £
At 1 January 2022 and 31 December 2022	1

Subsidiaries	Share class	Held %	Country of Registration	Nature of Business
Duster Midco 1 Limited	Ordinary	100%	England	Holding company
Duster Midco 2 Limited*	Ordinary	100%	England	Holding company
Duster Bidco Limited*	Ordinary	100%	England	Holding company
Duster TT Midco Limited*	Ordinary	100%	England	Holding company
Empowering Learning Limited*	Ordinary	100%	England	Tutoring
Timeplan Education Group Limited*	Ordinary	100%	England	Recruitment
Empowering Tutors Limited*	Ordinary	100%	England	Tutoring
Duster TT Bidco Limited*	Ordinary	100%	England	Holding company
Team Teach Limited*	Ordinary	100%	England	Training
Team-Teach Asia-Pacific*	Ordinary	85%	Australia	Training

*Held indirectly

The registered address for all subsidiaries held in England is:
Longbow House, 20 Chiswell Street, London, EC1Y 4TW

The registered address of Team Teach Asia-Pacific Pty Limited is:
2 Waratah Drive, Redcliffe North, QLD, 4020, Australia

10. INTANGIBLE FIXED ASSETS

	Goodwill £	Customer lists £	Software development £	Brand £	Total £
Cost					
At 1 January 2022	3,849,345	13,887,508	306,694	159,000	18,202,547
Additions	-	-	1,720,662	-	1,720,662
Reclassification	-	-	165,685	-	165,685
At 31 December 2022	3,849,345	13,887,508	2,193,041	159,000	20,088,894
Amortisation					
At 1 January 2022	2,784,712	4,827,677	91,721	82,517	7,786,627
Charge for the year	692,832	1,391,849	64,758	15,067	2,164,506
Reclassification	-	-	37,860	-	37,860
At 31 December 2022	3,477,544	6,219,526	194,339	97,584	9,988,993
Net book value					
At 31 December 2022	371,801	7,667,982	1,998,702	61,416	10,099,901
At 31 December 2021	1,064,633	9,059,831	214,973	76,483	10,415,920

11. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixture and fittings £	Total £
Cost			
At 1 January 2022	789,044	165,653	954,697
Additions	100,932	7,536	108,468
Reclassification	(165,685)	-	(165,685)
At 31 December 2022	724,291	173,189	897,480
Depreciation			
At 1 January 2022	357,641	148,796	506,437
Charge for the year	126,096	10,392	136,488
Reclassification	(37,860)	-	(37,860)
At 31 December 2022	445,877	159,188	605,065
Net book value			
At 31 December 2022	278,414	14,001	292,415
At 31 December 2021	431,403	16,857	448,260

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	4,239,215	3,211,861	-	-
Amounts owed by group undertakings	-	-	7,247,283	7,246,033
Other debtors	306,804	447,933	75,092	75,092
Prepayments and accrued income	186,823	95,173	-	-
Corporation tax debtor	44,133	-	-	-
	4,776,975	3,754,967	7,322,375	7,321,125

13. STOCK

	2022 £	2021 £
Finished goods and goods for resale	17,075	-
	17,075	-

Stock relates to training materials in respect of Team Teach courses.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	1,125,568	477,717	-	-
Social security and other taxes	630,227	444,896	-	-
Corporation tax	-	66,152	-	-
VAT	700,022	792,204	-	-
Other creditors	109,189	126,480	-	-
Bank loan	600,000	1,250,000	-	-
Capitalised loan fees	(143,120)	-	-	-
Invoice discounting facility	1,465,648	1,506,398	-	-
Accruals and deferred income	2,983,638	2,835,280	-	-
	7,471,172	7,499,127	-	-

15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Bank loan	12,600,000	2,500,000	-	-
Capitalised loan fees	(572,481)	-	-	-
Shareholder loan	10,694,019	9,719,163	-	-
Shareholder interest	394,870	361,913	-	-
Bank revolving credit facility	-	10,349,000	-	-
	23,116,408	22,930,076	-	-

16. LOANS

Group	2022 £	2021 £
Within one year	600,000	1,250,000
Between one and five years	22,721,538	22,568,163
	23,321,538	23,818,163

On 6th December 2022 the Group refinanced with National Westminster Bank Plc, terminating the revolving credit and CBILs facilities previously held.

At 31 December 2022 to Group had the following loan arrangements in place:

(a) a term loan facility (facility A) of £4.8 million at a margin of SONIA plus 3.50-4.25% and has capital repayments quarterly until its termination on 31 December 2027, secured against assets of the Group.

(b) a term loan facility (facility B) of £8.4 million at a margin of SONIA plus 4.00-4.75% and is repayable in full at its termination on 31 December 2028, secured against assets of the Group

(c) Shareholder loan notes of £1,300,000 issued on 3 August 2017, £1,500,000 issued on 21 June 2018, £500,000 issued on 9 February 2021, and £272,960 issued on 20 August 2018, all repayable after 8 years. Shareholder loan notes of £4,050,000 issued on 8 October 2019 and repayable after 5 years. Loan notes attract an annual compounding interest rate of 10%. Interest is accrued and payable on repayment of the principal. No interest has been paid to date.

17. PROVISIONS

Group Deferred tax liability	2022 £	2021 £
As at 1 January	2,290,456	2,003,373
Recognised in income statement	64,363	287,083
As at 31 December	2,354,819	2,290,456

18. CALLED UP SHARE CAPITAL

	2022 Allotted, called up number	2022 Paid £	2021 Allotted, called up number	2021 Paid £
A Ordinary of £0.001 each	6,689,333	6,689	6,689,333	6,689
B Ordinary of £0.001 each	159,932	160	159,932	160
B2 Ordinary of £0.001 each	109,000	109	109,000	109
C1 Ordinary of £0.01 each	1,050,000	10,500	1,050,000	10,500
C2 Ordinary of £0.001 each	487,500	488	487,500	488
	8,495,765	17,946	8,495,765	17,946

All shares have the same rights to dividends and capital distribution. For Ordinary A and B shares, one share equals one vote. C1 class shares have a voting right of 15% allocated equally in proportion to number of participants in that class. C2 shares have no voting rights.

19. SHARE PREMIUM

	2022 £
As at 1 January	7,291,928
Net movements during the year	1,250
As at 31 December	7,293,178

20. NET CASH FLOW FROM OPERATING ACTIVITIES

Group	2022 £	2021 £
Operating profit / (loss) for the period	1,056,926	(1,202,979)
Depreciation of fixed assets	98,628	123,858
Amortisation of intangibles	2,202,465	2,255,984
Increase in stocks	(17,075)	-
Increase in debtors	(935,952)	(352,317)
Increase / (decrease) in creditors	623,063	(353,679)
Interest paid and similar charges	(603,229)	(291,742)
Corporation tax paid	(170,320)	(6,580)
	2,254,506	172,545

21. NET DEBT RECONCILIATION

Group	2021 £	Cash flow £	Non-cash movements £	2022 £
Cash at bank and in hand	3,990,132	(979,820)	-	3,010,312
Invoicing discounting facility	(1,506,398)	40,750	-	(1,465,648)
Bank loan	(3,780,821)	(9,419,179)	-	(13,200,000)
Capitalised loan fees	-	466,601	249,000	715,601
Bank revolving credit facility	(10,386,212)	10,386,212	-	-
Shareholder loans	(10,081,076)	-	(1,007,813)	(11,088,889)
Net debt	(21,764,375)	494,564	(758,813)	(22,028,624)

22. COMMITMENTS UNDER OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

Group	2022 £	2021 £
Within one year	509,945	515,100
Between one and five years	402,000	201,066
	911,945	716,166

23. COMPANY INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the Parent Company is not presented as part of these financial statements. For the year ended 31 December 2022, the Company made a loss of £nil (2021: £nil).

24. RELATED PARTY DISCLOSURES

During the year £86,703 (2021: £54,643) was paid to Graphite Capital Management LLP in monitoring fees by the Group. At the year end, £4,956 (2021: £4,062) was owed to Graphite Capital Management LLP in monitoring fees by the Group.

At year end, £10,611,381 (2021: £9,646,977) was owed to funds managed by Graphite Capital General Partner VIII LLP in loan notes. £377,688 (2021: £343,352) in interest had accrued on these loan notes and was outstanding at year end. The interest on the loan notes was accrued Duster Midco 1 Limited.

At the year end, £63,196, (2021: £57,451) was owed to G Lloyd, the chairman of the Group in loan notes. £2,511 (2021: £2,282) in interest had accrued on these loan notes and was outstanding at the year end. The interest on the loan notes was accrued in Duster Midco 1 Limited.

At the year end, £414,312 (2021: £376,648) was owed to G Matthews, the non-executive chairman of Team Teach Limited in loan notes. £14,672 (2021: £13,338) in interest had accrued on these loan notes and was outstanding at year end. The interest on the loan notes was accrued in Duster Midco 1 Limited.

At the year end, the Directors being the key management personnel had received remuneration and benefits totalling £630,268 (2021: £415,520).

25. ULTIMATE CONTROLLING PARTY

The A ordinary shares of Duster Topco Limited are held by funds managed by Graphite Capital General Partner VIII LLP. None of the funds individually has an ultimate controlling stake in Duster Topco Limited. No individual holds more than 20% of the share capital of the company. Hence, the Directors consider that there is no ultimate controlling party of the company.