
IGNIS TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

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IGNIS TOPCO LIMITED

COMPANY INFORMATION

Directors

S J M Burns
D J Chennell
L Hayes
C J E Haynes
A S Lewis
A M Ringrose
P N Topley

Registered number

10846957

Registered office

Fire House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

Independent auditor

CLA Evelyn Partners Limited
Chartered Accountants & Statutory Auditor
4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

IGNIS TOPCO LIMITED

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IGNIS TOPCO LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 30 APRIL 2023

The chairman presents his statement for the period.

Ignis Topco Ltd is the Ultimate Parent of the Churches Fire Security Ltd group of companies ("Churches" or "the Group"). Churches' vision is to develop as the leading platform in the £4 billion UK Fire and Security market, which continues to exhibit long-term growth underpinned by regulation and safety drivers. The Board is pleased with performance during the year and remains enthusiastic about the further growth potential of the business.

Business Performance

The twelve months to April 2023 saw a resumption of normal working post-Covid, but continued to be affected by accelerating cost inflation, rising interest rates and uncertainties around the general economic outlook.

Against that backdrop it is very pleasing to report revenue growth of over 17% to £57.6 million (2021/22: £48.9 million). The vast majority of revenue – around 95% - continued to come from recurring and repeatable client demand, focus on which is a key feature of the business' growth strategy. The mix between service and installation work remained constant at around 85% and 15% of revenue respectively with the vast majority of installation work being undertaken directly for existing clients rather than through third parties. The business continues to source its revenue across a broad range of verticals, with no over-reliance on any one sector nor individual client.

Margins held up well in the face of strong cost inflation with a small erosion in gross margin to 48.2% (2021/22: 49.9%) continuing to outperform sector norms and reflecting the ability of the business to offer superior service and efficiency through its focus on 'first time in-full' customer service.

We continued to benefit from investments made in our people and infrastructure. Our Alarm Receiving Centre has continued to grow and maintains its accreditation to NACOSS Gold standard. We believe this facility to be market-leading, offering enhanced customer service exclusive to Churches clients. We welcomed several further graduating cohorts of staff from our in-house training Academy, building the home-grown talent in the team alongside colleagues joining us through acquisition. EBITDA (defined as 'earnings before interest, taxes, depreciation, amortisation and exceptional items') was £9.43 million (2021/22: £8.89 million).

Acquisitions

Six acquisitions were completed during the period taking the total number of add-ons to 26 since Horizon's investment in the business in 2017. Each of these added strong recurring fire and security service revenues and complemented our geographic footprint. Security grew to over 13% of total revenue (2021/22: 11%) as we continued to build our capability in this complementary set of services, predominately through acquisition. Since year-end a further three transactions have completed including FCMS, a risk assessment business which materially increases our capability in this important aspect of the assurance market. Looking to the future, we expect further inorganic growth from the strong pipeline of attractive target organisations.

People

The continued success and growth of the business and its maintenance of service, safety and quality is testimony to our people.

Our executive leadership team continues to provide support and encouragement to our >500-strong team, placing great importance on recruiting, training and developing excellent people through whom we offer differentiated service to clients and exciting career potential for our team.

IGNIS TOPCO LIMITED

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

On behalf of the Board I again offer every member of the business my thanks and appreciation for their skill and effort and look forward to seeing their continued development on the road ahead.

Prospects

The essential nature of Churches' services together with the efforts of our skilled and committed people and our experienced executive leadership team have resulted in a year of strong growth. With revenue well distributed across most economic sectors and a highly diversified customer base of some 24,000 clients (2021/22: 19,500) the Board remains encouraged by the opportunities facing the business and focused on realising our vision for Churches to continue to develop as the leading fire and security services provider in the UK.

Adrian Ringrose

Adrian Ringrose (Sep 27, 2023 16:57 GMT+1)

Name Adrian Ringrose
Chairman

Date 27/09/2023

IGNIS TOPCO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2023

The directors present their Strategic Report for the year ended 30 April 2023.

Introduction

Churches provides a full suite of fire protection and security services; designing, installing and maintaining fire and security alarms, sprinklers, dry risers, emergency lighting and specialist suppression systems. Churches also conducts fire risk assessments and monitors its customer's fire and security alarms through its own alarm receiving centre. Churches operates within the resilient and highly fragmented £4bn fire and security market, which continues to exhibit long-term growth underpinned by regulation and safety drivers.

In Horizon Capital, Churches has a highly motivated sponsor, who has helped to transform the business from a founder-owned, regional business into a leading, national buy-&-build platform with an experienced and well-invested management team.

Churches growth strategy is to augment organic growth with strategic acquisitions. It has pursued this strategy successfully for many years and made six acquisitions during this financial year. In total the Group has made 26 acquisitions since the original investment by Horizon Capital in 2017.

Business review

The Board is pleased with performance during the year and remains enthusiastic about the further growth potential of the business in realising Churches' vision of developing as the leading fire and security services provider in the UK. A review of the Group's business performance during the year is contained within the Chairman's Statement.

IGNIS TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

Principal risks and uncertainties

The Group's operations expose it to a variety of financial risks that include the effects of change in price risk, liquidity risk, credit risk and interest rate risk.

Price risk

The Group is exposed to price risk due to normal inflationary increases in the purchase price of supplies and services.

Liquidity risk

The Group regularly reviews its liquidity risk and has arranged appropriate facilities to be available.

Credit risk

The Group has a rigorous credit policy which it uses to manage credit risk. The Group has a wide customer base with low customer concentration, which spreads its risk and makes provisions for potential bad debts.

Interest rate risk

The Group is exposed to interest rate risk on its borrowings, which are based on a margin over SONIA. A rise in interest rates could increase the cost of borrowings. The Group continually monitors interest rate risks and reviews hedging as a way to mitigate interest rate rises though no hedging arrangements are currently in place. In the last 12 months to 30-Apr-23 Bank of England base rate has increased from 0.75 to 4.25. As a consequence the Group's interest costs have increased significantly. Churches forecasts forward based on the latest available SONIA curves and these forecasts confirm that the Group can continue to meet its obligations despite this increase in interest rates.

The Group has more than 24,000 customers and the top ten customers account for only 15.1% of revenue so our business risk is diluted.

The principal risks to the business are:

- To mishandle a large acquisition or cause delays on an installation resulting in a damages claim or
- To give incorrect advice in a fire risk assessment resulting in inadequate or inappropriate fire protection being put in place at a customer site.

Due to our vast technical expertise, solid previous service history in this sector, prior experience of integrating acquisitions, management controls and avoidance of construction industry type activities these risks are appropriately mitigated.

Going concern

The directors have made an assessment in preparing these financial statements as to whether the Group is a going concern and have concluded that there are no material uncertainties that may cast doubt on the Group's ability to continue as a going concern.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

Directors' statement of compliance with duty to promote the success of the Group

The board of directors, both individually and together, consider that they have acted in good faith, in a way that they consider would be most likely to promote the success of the Group for the benefit of its members as a whole and having regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the Group's employees,
- c) the need to foster the Group's business relationships with suppliers, customers and others,
- d) the impact of the Group's operations on the community and the environment,
- e) the desirability of the Group maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly as between members of the Group

Strategy

The directors understand the business and the landscape in which we operate, and the strategy takes account of the risks and opportunities presented. As we grow, our business and our risk environment also become more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face. The strategy set by the Board is intended to strengthen our position as a leading fire and security company.

Employees

The directors recognise that our employees are fundamental to the delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The healthy, safety and well-being of our employees is one of our primary considerations in the way we do business.

Business relationships

Delivering our strategy requires building and nurturing strong mutually beneficial relationships with suppliers, customers and others. We deliver business critical services to our customers and our strategy relies on us retaining and growing the services provided. We have collaborated with key suppliers over a number of years to ensure quality and reliability of materials.

Impact of operations

The Group's approach is to use our position of strength to create positive change for the people and communities with which we interact. Several of our business initiatives will deliver environmental improvements.

Maintaining reputation

As the Board of directors, our intention is to behave responsibly and ensure that management operate the business in ways which are economically, environmentally and socially responsible.

Acting fairly

The directors weigh up all relevant factors to consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders and shareholders.

IGNIS TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

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

David Chennell
David Chennell (Sep 27, 2023 15:27 GMT+1)

D J Chennell
Director

Date: 27/09/2023

IGNIS TOPCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2023

The directors present their report and the financial statements for the year ended 30 April 2023.

Principal activity

The principal activity of the Group was that of supply and maintenance of fire protection equipment.

Results and dividends

The loss for the year, after taxation, amounted to £10,208,648 (2022 - loss £7,628,232).

The directors do not recommend the payment of a dividend (2022 - £Nil).

Directors

The directors who served during the year were:

S J M Burns
D J Chennell
L Hayes
C J E Haynes
A S Lewis
A M Ringrose
P N Topley

Future developments

The Group has ambitious plans to continue growing strongly through a combination of organic and acquisitive growth. Since the year end it has completed a further three acquisitions.

Employee involvement

The Group's policy is to consult and discuss with employees, through meetings and other forms of correspondence, any matters likely to affect employees' interest. Information on matters of concern to employees is given through company meetings, information bulletins and reports.

Engagement with suppliers, customers and others

Delivering our strategy requires building and nurturing strong mutually beneficial relationships with suppliers, customers and others. We deliver business critical services to our customers and our strategy relies on us retaining and growing the services provided. We have collaborated with key suppliers over a number of years to ensure quality and reliability of materials.

Disabled employees

The Group's policy is to give full and fair consideration to applications for employment by disabled persons and to continuing the employment, with appropriate training, of those team members who become disabled whilst working within the Group.

IGNIS TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group has collected data on its energy consumption and Co2 emissions for the year. This takes into account all fuel purchased for company vehicles, gas and electricity purchases for company offices and reimbursements to employees who used their own vehicles for business travel. This information was converted to equivalent kilograms of carbon dioxide (kg of Co2) emissions in all cases. The Group's policy is not to recognise carbon emissions from acquisitions prior to their hive up into Churches Fire due to the small nature of the businesses acquired and data available.

The Group's emissions from energy use during the year were:

- Direct emissions from transport fuel use were 2,149,142kg of Co2 (2022 - 1,867,812kg of Co2)
- Direct emissions from combustion of natural gas were 30,345kg of Co2 (2022 - 23,596kg of Co2)
- Indirect emissions from purchase of electricity were 68,094kg of Co2 (2022 - 56,980kg of Co2)
- Other indirect emissions from staff using their own vehicles for business travel were 45,003kg of Co2, (2022 - 33,540kg of Co2)

The total emissions were equivalent to 4,3047kg (2022 - 3,984kg) per employee.

The directors recognise the importance of energy efficiency and during the year the following actions have been taken:

- Purchase of newer vehicles with lower emissions

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 and the Group'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 and the Group's auditor is aware of that information.

Post balance sheet events

Acquisitive growth continues to be a critical component of Churches' growth. Since the year-end the Group has completed three further acquisitions: Quantum Fire & Security Limited in May 2023, Fire Compliance Management Services Limited in June 2023, A.P.E. Fire and Security Limited in August 2023 and Arnage Electronic Security Limited in September 2023. Additionally, there are a number of potential transactions in exclusive negotiation plus a healthy pipeline of targets at an earlier stage of development.

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

IGNIS TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

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

David Chennell
David Chennell (Sep 27, 2023 15:27 GMT+1)

D J Chennell
Director

Date: 27/09/2023

IGNIS TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2023

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGNIS TOPCO LIMITED

Opinion

We have audited the financial statements of Ignis Topco Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2023 and of the Group's loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group 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.

IGNIS TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGNIS TOPCO LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 10, 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.

IGNIS TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGNIS TOPCO LIMITED (CONTINUED)

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.

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:

We obtained a general understanding of the Group's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Group's industry and regulation.

We understand that the Group complies with the framework through:

- Outsourcing accounts preparation and tax compliance to external experts.
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.
- Group companies being accredited by third party certifiers such as The Loss Prevention Certification Board ("LPCB"), British Approvals For Fire Equipment ("BAFE"), and National Security Inspectorate ("NSI") that their products and services conform to industry standards.
- Regular board meetings where the directors would discuss any significant matters regarding non-compliance with laws and regulations.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Group:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- Compliance with regulations regarding the provision of fire and security products and services.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Obtaining written management representations regarding the adequacy of procedures in place.
- Performed independent searches of LPCB, BAFE, and NSI websites to confirm the accreditations held by the group companies as applicable.
- Reviewed copies of board minutes and any correspondence with third party certifiers or regulators for instances of non-compliance with laws and regulations.

IGNIS TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGNIS TOPCO LIMITED (CONTINUED)

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Stock provision, bad debt provision, useful economic lives of intangible assets and fair value of assets and liabilities on acquisition of subsidiaries as these are estimates made by management.
- Payment of bonuses based on profits, which creates an incentive for management to manipulate results.
- Manipulation of the financial statements, especially revenue, via fraudulent journal entries particularly around cut off at the year end.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimates identified above, and comparison to post-year-end data as appropriate.
- Substantive work on material areas affecting profits with additional testing performed on cut off at the year end.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts.

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 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.


Andrew Edmonds (Sep 27, 2023 17:15 GMT+1)

Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of
CLA Evelyn Partners Limited

Chartered Accountants
Statutory Auditor

4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG
Date: 27/09/2023

IGNIS TOPCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2023

	Note	2023 £	Exceptionals 2023 £	Total 2023 £	2022 £	Exceptionals 2022 £	Total 2022 £
Turnover	4	57,569,005	-	57,569,005	48,901,149	-	48,901,149
Cost of sales		(29,803,678)	-	(29,803,678)	(24,469,567)	-	(24,469,567)
Gross profit		27,765,327	-	27,765,327	24,431,582	-	24,431,582
Administrative expenses		(18,413,871)	(1,151,222)	(19,565,093)	(15,148,047)	(733,603)	(15,881,650)
Other operating income	5	77,255	-	77,255	57,897	-	57,897
Other (loss)/gain		-	-	-	(452,566)	-	(452,566)
EBITDA	6	9,428,711	(1,151,222)	8,277,489	8,888,866	(733,603)	8,155,263
Depreciation and amortisation		(12,696,232)	-	(12,696,232)	(10,677,748)	-	(10,677,748)
Interest receivable and similar income	10	2,561	-	2,561	4,331	-	4,331
Interest payable and similar expenses	11	(5,871,784)	-	(5,871,784)	(4,700,174)	-	(4,700,174)
Loss before taxation		(9,136,744)	(1,151,222)	(10,287,966)	(6,484,725)	(733,603)	(7,218,328)
Tax on loss	12	79,318	-	79,318	(409,904)	-	(409,904)
Loss for the financial year		(9,057,426)	(1,151,222)	(10,208,648)	(6,894,629)	(733,603)	(7,628,232)
Loss for the year attributable to:							
Owners of the Parent Company		<u>(9,057,426)</u>	<u>(1,151,222)</u>	<u>(10,208,648)</u>	<u>(6,894,629)</u>	<u>(733,603)</u>	<u>(7,628,232)</u>

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 24 to 53 form part of these financial statements.

IGNIS TOPCO LIMITED
REGISTERED NUMBER:10846957

CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	41,383,409	43,916,975
Tangible assets	14	5,465,273	6,179,863
		<u>46,848,682</u>	<u>50,096,838</u>
Current assets			
Stocks	16	3,044,207	2,517,782
Debtors: amounts falling due within one year	17	16,505,798	11,595,843
Cash at bank and in hand		3,310,642	10,653,630
		<u>22,860,647</u>	<u>24,767,255</u>
Creditors: amounts falling due within one year	18	(13,431,932)	(11,643,103)
Net current assets		<u>9,428,715</u>	<u>13,124,152</u>
Total assets less current liabilities		<u>56,277,397</u>	<u>63,220,990</u>
Creditors: amounts falling due after more than one year	19	(64,235,127)	(60,815,545)
Provisions for liabilities			
Deferred tax	22	(416,394)	(570,921)
Net (liabilities)/assets		<u>(8,374,124)</u>	<u>1,834,524</u>
Capital and reserves			
Called up share capital	23	13,725	13,725
Share premium account	24	27,775,004	27,775,004
Profit and loss account	24	(36,162,853)	(25,954,205)
Shareholders' (deficit)/funds		<u>(8,374,124)</u>	<u>1,834,524</u>

IGNIS TOPCO LIMITED
REGISTERED NUMBER:10846957

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2023

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

David Chennell
David Chennell (Sep 27, 2023 15:27 GMT+1)

D J Chennell
Director

Date: 27/09/2023

The notes on pages 24 to 53 form part of these financial statements.

IGNIS TOPCO LIMITED
REGISTERED NUMBER:10846957

COMPANY BALANCE SHEET
AS AT 30 APRIL 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	15	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due after more than one year	17	47,670,391	43,336,719
		<u>47,670,391</u>	<u>43,336,719</u>
Net assets		<u>47,670,392</u>	<u>43,336,720</u>
Capital and reserves			
Called up share capital	23	13,725	13,725
Share premium account	24	27,775,004	27,775,004
Profit and loss account brought forward		15,547,991	11,625,715
Profit for the year		<u>4,333,672</u>	<u>3,922,276</u>
Profit and loss account carried forward	24	19,881,663	15,547,991
Shareholders' funds		<u>47,670,392</u>	<u>43,336,720</u>

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

David Chennell
David Chennell (Sep 27, 2023 15:27 GMT+1)

D J Chennell
Director

Date: 27/09/2023

The notes on pages 24 to 53 form part of these financial statements.

IGNIS TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2023

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 May 2021	13,725	27,775,004	(18,325,973)	9,462,756
Comprehensive income for the year				
Loss for the year	-	-	(7,628,232)	(7,628,232)
At 1 May 2022	13,725	27,775,004	(25,954,205)	1,834,524
Comprehensive income for the year				
Loss for the year	-	-	(10,208,648)	(10,208,648)
At 30 April 2023	13,725	27,775,004	(36,162,853)	(8,374,124)

IGNIS TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2023

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 May 2021	13,725	27,775,004	11,625,715	39,414,444
Comprehensive income for the year				
Profit for the year	-	-	3,922,276	3,922,276
At 1 May 2022	13,725	27,775,004	15,547,991	43,336,720
Comprehensive income for the year				
Profit for the year	-	-	4,333,672	4,333,672
At 30 April 2023	13,725	27,775,004	19,881,663	47,670,392

IGNIS TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2023

	2023 £	2022 £
Cash flows from operating activities		
Loss for the financial year	(10,208,648)	(7,628,232)
Adjustments for:		
Amortisation of intangible assets	10,976,588	9,033,424
Depreciation of tangible assets	1,721,600	1,648,526
Profit on disposal of tangible assets	(59,933)	(261,038)
Interest paid	5,871,784	4,700,174
Interest received	(2,561)	(4,331)
Taxation (credit)/charge	(79,318)	409,904
Increase in stocks	(526,425)	(369,256)
Increase in debtors	(3,999,266)	(193,597)
Decrease in creditors	22,523	(4,311,836)
Corporation tax paid	(320,392)	(651,358)
Other loss	-	452,566
Net cash generated from operating activities	3,395,952	2,824,946
Cash flows from investing activities		
Purchase of intangible fixed assets	(983,885)	(405,364)
Purchase of tangible fixed assets	(646,172)	(909,939)
Sale of tangible fixed assets	169,362	442,784
Purchase of subsidiaries net of cash acquired	(6,133,529)	(7,402,627)
Interest received	2,561	4,331
Net cash used in investing activities	(7,591,663)	(8,270,815)
Cash flows from financing activities		
New secured loans	4,350,000	26,150,000
Repayment of loans	(75,146)	(12,013,727)
Repayment of finance leases	(1,681,698)	(1,588,291)
Interest paid	(5,485,189)	(3,335,733)
HP interest paid	(80,181)	(68,223)
Loan issue costs paid	(175,063)	(2,477,506)
Net cash (used in)/generated from financing activities	(3,147,277)	6,666,520
Net (decrease)/increase in cash and cash equivalents	(7,342,988)	1,220,651

IGNIS TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

	2023 £	2022 £
Cash and cash equivalents at beginning of year	10,653,630	9,432,979
Cash and cash equivalents at the end of year	<u>3,310,642</u>	<u>10,653,630</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>3,310,642</u>	<u>10,653,630</u>

IGNIS TOPCO LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 APRIL 2023

	At 1 May 2022 £	Cash flows £	Acquisition and disposal of subsidiaries £	Other non- cash changes £	At 30 April 2023 £
Cash at bank and in hand	10,653,630	(9,324,194)	1,981,206	-	3,310,642
Debt due after 1 year	(59,081,010)	(4,099,791)	(75,146)	(306,412)	(63,562,359)
Finance leases	(3,241,831)	1,681,698	(25,857)	(402,582)	(1,988,572)
	<u>(51,669,211)</u>	<u>(11,742,287)</u>	<u>1,880,203</u>	<u>(708,994)</u>	<u>(62,240,289)</u>

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

1. General information

Ignis Topco Limited is a private company, limited by shares, incorporated in England and Wales (registered number: 10846957). The address of the registered office is Fire House, Mayflower Close, Chandler's Ford, Eastleigh, Hampshire, SO53 4AR.

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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form 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.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 03 July 2017.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.3 Going concern

The directors have made an assessment in preparing these financial statements, as to whether the Group remains a going concern.

The directors have carefully reviewed the future prospects of the Group, and have produced revised cash flow forecasts which demonstrate there is sufficient cash resource available to the Group to ensure it can meet its financial obligations as they fall due for the foreseeable future, this being the period covering at least 12 months from the date of approval of these financial statements. The directors have considered as part of their assessment the net liability position of the Group as at 30 April 2023 which is primarily due to loan facilities totalling £65.5m which are due for repayment in May 2028. Further, loan covenant forecasts have been produced indicating that there is sufficient headroom to ensure covenant compliance on an ongoing basis. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover 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. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

2.8 Finance costs

Finance costs are charged to profit or loss 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.

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Exceptional items

Exceptional costs are those costs, that are one off in nature, that are associated with restructuring the business, to enable growth, through both acquisition and organically. These costs include any acquisition related deal costs, costs of integrating any acquisitions into the wider business and costs to restructure the business as a result of the growth achieved.

2.12 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from 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 on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to profit or loss over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Customer lists	-	6 years
Computer software	-	4 years
Goodwill	-	6 - 10 years

2.14 Tangible fixed assets

Tangible fixed assets under the cost model 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 is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% on cost
Freehold improvements	-	20% on cost
Motor vehicles	-	20% on cost
Fixtures and fittings	-	20% on cost
Computer equipment	-	50% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 in profit or loss.

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.19 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 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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

Estimates and judgements are evaluated at each reporting date and are based on historical experience, as adjusted for current market conditions and other relevant factors. Management make estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and judgements that have a significant impact on the Group are outlined below:

Intangible assets

Key estimates and judgements are applied in establishing the useful lives and residual values of the intangibles.

Management concluded that the goodwill associated with the previous acquisitions could be attributed entirely to customer lists based on the relationships acquired with customers. It was concluded that the useful life was between 6 and 10 years based on previous experience, current contracts and future expectations of the market.

Computer software has a useful life of 4 years based on the period that these assets are actively in use.

An assessment is performed at each reporting date of the residual values and the appropriateness of the remaining useful economic lives of these assets. The directors are of the opinion that no impairment is required.

Business Combinations

Upon acquisition of a company, the assets and liabilities of that entity are brought in to the financial statements at fair value. The directors make judgements and estimates in reaching assessing the fair value of these assets and liabilities. Intangible assets arising on acquisitions are considered to be principally reflective of the customer lists acquired and have been capitalised as such.

Stock

The Group's stock comprises goods for re-sale and consumption through installations and maintenance. The carrying amounts of stock are reviewed at each period end for indications that the value able to be realised by this stock is not less than the cost at which it is held. Based on the most recent review, the value of the Group's stock is held at £3,044,207 (2022 - £2,517,782) including a stock provision of £592,602 (2022 - £458,063).

Debtors

At each reporting date and throughout the year, the Group's debtor balance is reviewed to identify any impairment required, and specific provisions are made against this balance. The value of these provisions at 30 April 2022 are £313,306 (2022 - £334,051) against a trade debtor balance of £13,043,494 (2022 - £9,539,397).

Recoverability of intra-group loans

The Company has provided loans to other group companies (note 17). The directors must exercise judgement on whether these loans are recoverable. The directors do not consider there to be an impairment to these balances (2022 - £Nil).

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

4. Turnover

The whole of the turnover is attributable to the design, supply and maintenance of fire protection equipment.

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Other operating income	77,255	-
Government grants receivable - furlough scheme	-	57,897
	<u>77,255</u>	<u>57,897</u>

6. EBITDA

EBITDA is stated after charging/(crediting):

	2023 £	2022 £
Profit on disposal of tangible fixed assets	(59,933)	(261,038)
Other operating lease rentals	<u>781,116</u>	<u>670,012</u>

7. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Group's auditor and its associates for the audit of the Group's financial statements	61,470	52,260
Fees payable to the Group's auditor and its associates in respect of:		
Other services	<u>11,860</u>	<u>10,890</u>

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

8. Employees

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	23,595,661	19,574,722	-	-
Social security costs	2,581,672	2,112,510	-	-
Cost of defined contribution scheme	500,498	459,642	-	-
	<u>26,677,831</u>	<u>22,146,874</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Technicians	288	235
Fire Safety Officers	3	5
Sales and Customer Services	152	143
Finance and Administration	81	89
Management	33	36
	<u>557</u>	<u>508</u>

The Company has no employees other than the directors, who did not receive any remuneration (2022 - £Nil).

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	812,328	538,669
Group contributions to defined contribution pension schemes	28,517	29,294
	<u>840,845</u>	<u>567,963</u>

During the year retirement benefits were accruing to 4 directors (2022 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £225,648 (2022 - £217,396).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,000 (2022 - £12,500).

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

10. Interest receivable

	2023 £	2022 £
Other interest receivable	2,561	4,331

11. Interest payable and similar expenses

	2023 £	2022 £
Bank loan interest payable	5,790,537	4,512,009
Other loan interest payable	1,064	98,246
Finance leases and hire purchase contracts	80,183	68,223
Other interest payable	-	21,696
	<u>5,871,784</u>	<u>4,700,174</u>

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on loss for the year	(16,770)	(16,987)
Adjustments in respect of previous periods	77,897	(103,582)
Total current tax	<u>61,127</u>	<u>(120,569)</u>
Deferred tax		
Origination and reversal of timing differences	(57,479)	420,542
Adjustments in respect of prior periods	(64,963)	(25,201)
Effect of change in tax rates	(18,003)	135,132
Total deferred tax	<u>(140,445)</u>	<u>530,473</u>
Taxation on loss on ordinary activities	<u>(79,318)</u>	<u>409,904</u>

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19.49% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	(10,287,966)	(7,218,328)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.49% (2022 - 19%)	(2,005,125)	(1,371,482)
Effects of:		
Non-tax deductible expenditure	2,076,496	1,651,291
Adjustments to tax charge in respect of prior periods	30,935	(130,324)
Losses not previously recognised	(124,929)	-
Tax rate changes	(18,001)	135,132
Deferred tax not provided	21,912	318,687
Capital allowances super-deduction	(60,606)	(193,400)
Total tax (credit)/charge for the year	(79,318)	409,904

Factors that may affect future tax charges

Finance Act 2021 included legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The effects of this increase are reflected in the above. There were no factors that may affect future tax charges.

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

13. Intangible assets

Group and Company

	Customer lists £	Computer software £	Goodwill £	Total £
Cost				
At 1 May 2022	1,538,461	853,363	72,997,362	75,389,186
Additions	-	287,018	696,867	983,885
On acquisition of subsidiaries	-	-	7,459,137	7,459,137
At 30 April 2023	1,538,461	1,140,381	81,153,366	83,832,208
Amortisation				
At 1 May 2022	1,489,420	426,545	29,556,246	31,472,211
Charge for the year	9,904	212,425	10,754,259	10,976,588
At 30 April 2023	1,499,324	638,970	40,310,505	42,448,799
Net book value				
At 30 April 2023	39,137	501,411	40,842,861	41,383,409
At 30 April 2022	49,041	426,818	43,441,116	43,916,975

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

14. Tangible fixed assets

Group

	Freehold property £	Freehold improvements £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost						
At 1 May 2022	1,254,793	816,185	5,910,584	39,913	1,246,919	9,268,394
Additions	-	22,605	344,204	11,283	667,518	1,045,610
Acquisition of subsidiaries	-	-	53,857	-	-	53,857
Disposals	-	-	(289,550)	-	(92,518)	(382,068)
At 30 April 2023	1,254,793	838,790	6,019,095	51,196	1,821,919	9,985,793
Depreciation						
At 1 May 2022	142,331	345,258	1,946,370	19,067	635,505	3,088,531
Charge for the year	29,877	157,226	392,592	10,216	412,091	1,002,002
Charge for the year on financed assets	-	-	718,782	-	-	718,782
Disposals	-	-	(202,156)	-	(86,639)	(288,795)
At 30 April 2023	172,208	502,484	2,855,588	29,283	960,957	4,520,520
Net book value						
At 30 April 2023	1,082,585	336,306	3,163,507	21,913	860,962	5,465,273
At 30 April 2022	1,112,462	470,927	3,964,214	20,846	611,414	6,179,863

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Motor vehicles	2,754,099	3,316,204

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2023 £	2022 £
Freehold property	<u>1,082,585</u>	<u>1,112,464</u>

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 May 2022	<u>1</u>
At 30 April 2023	<u>1</u>

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Ignis Midco Limited	Holding company	Ordinary	100%
Ignis Holdco Limited*	Holding company	Ordinary	100%
Ignis Bidco Limited*	Holding company	Ordinary	100%
Churches Fire Security Limited*	Supply and maintenance of fire protection equipment	Ordinary	100%
Eton Fire Limited*	Supply and maintenance of fire protection equipment	Ordinary	100%
Executive Fire Protection Ltd*	Dormant	Ordinary	100%
Executive Sprinkler Systems Ltd*	Dormant	Ordinary	100%
Ace Security & Electrical Limited*	Dormant	Ordinary	100%
Dragon Fire & Security Systems Ltd*	Dormant	Ordinary	100%
Knighthood International Limited*	Dormant	Ordinary	100%
Knighthood International Security Limited*	Dormant	Ordinary	100%
Knighthood International Fire Limited*	Dormant	Ordinary	100%
Custom Security Services Limited*	Dormant	Ordinary	100%
Mono Fire & Security Limited*	Dormant	Ordinary	100%
Mono Alarm Installations Limited*	Dormant	Ordinary	100%
Marriott Security Limited*	Dormant	Ordinary	100%
Inno Fire and Security Limited*	Dormant	Ordinary	100%
Westronics Holdings Limited*	Dormant	Ordinary	100%
Westronics Limited*	Dormant	Ordinary	100%
Fire Alarms Installations (UK) Limited*	Dormant	Ordinary	100%
Apollo Alarms Limited*	Dormant	Ordinary	100%

*held indirectly

During the year, Elite Fire Limited, WMS (Central) Limited, Detect Fire & Security Limited and Alert Fire and Security Limited were dissolved.

All subsidiaries were incorporated in England and Wales, and all have a registered office address of Fire House, Mayflower Close, Chandler's Ford, Eastleigh, Hampshire, SO53 4AR.

During the year, the Group acquired Westronics Holdings Limited, Inno Fire and Security Limited, Fire Alarm Installations (UK) Limited, Apollo Alarms Limited and Marriott Security Limited, see note 25 for more details.

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

16. Stocks

	Group 2023 £	Group 2022 £
Work in progress	-	62,711
Finished goods and goods for resale	3,044,207	2,455,071
	<u>3,044,207</u>	<u>2,517,782</u>

17. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Debtors: amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	47,670,391	43,336,719
	<u>-</u>	<u>-</u>	<u>47,670,391</u>	<u>43,336,719</u>
			Group 2023 £	Group 2022 £
Debtors: amounts falling due within one year				
Trade debtors			12,714,300	9,200,052
Other debtors			493,987	398,630
Prepayments and accrued income			2,721,447	1,488,472
Tax recoverable			576,064	508,689
			<u>16,505,798</u>	<u>11,595,843</u>

Amounts written off in relation to trade debtors during the year was £124,955 (2022 - £48,846).

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

18. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £
Trade creditors	3,869,511	3,722,071
Other taxation and social security	2,365,123	1,679,797
Obligations under finance lease and hire purchase contracts	1,315,804	1,507,296
Other creditors	1,342,003	1,268,620
Accruals and deferred income	4,539,491	3,465,319
	<u>13,431,932</u>	<u>11,643,103</u>

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

	Group 2023 £	Group 2022 £
Bank loans	63,562,359	59,081,010
Obligations under finance leases and hire purchase contracts	672,768	1,734,535
	<u>64,235,127</u>	<u>60,815,545</u>

During the prior year, there was a modification to the existing bank loan to both increase the loan facilities by £42 million and extend the ultimate repayment date to May 2028. The directors concluded that this modification was substantial and therefore in accordance with FRS102, the existing loan has been derecognised with the effect of the modification being recognised as a loss of £452,566 in profit or loss.

The bank loans are secured by way of a fixed and floating charge over the assets of Ignis Holdco Limited and its subsidiaries within the Group. Interest is payable quarterly at a variable rate of interest based on the leverage of the results of Ignis Holdco Limited and its subsidiaries. These loans are ultimately repayable in full in May 2028. The bank loans balance is net of any associated transaction costs.

20. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £
Amounts falling due after more than 5 years		
Bank loans	<u>63,562,359</u>	<u>59,081,010</u>

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £	Group 2022 £
Within one year	1,315,804	1,507,296
Between 1-5 years	672,768	1,734,535
	<u>1,988,572</u>	<u>3,241,831</u>

Hire purchase liabilities are secured against the assets to which they relate.

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

22. Deferred taxation

Group

	2023 £	2022 £
At beginning of year	570,921	19,896
(Credited)/charged to profit or loss	(140,445)	530,473
Arising on business combinations	(14,082)	20,552
At end of year	416,394	570,921
	Group	Group
	2023	2022
	£	£
Accelerated capital allowances	512,772	639,647
Short term timing differences	(96,378)	(47,330)
Non trading timing differences	-	(21,396)
	416,394	570,921

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

23. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
578,225 A1 Ordinary shares of £0.01 each	5,782	5,782
221,775 A2 Ordinary shares of £0.01 each	2,218	2,218
20,000 B1 Ordinary shares of £0.20 each	4,000	4,000
172,500 B2 Ordinary shares of £0.01 each	1,725	1,725
14 A Preferred Ordinary shares of £0.01 each	-	-
13 B Preferred Ordinary shares of £0.01 each	-	-
	<hr/>	<hr/>
	13,725	13,725
	<hr/>	<hr/>

The A1 Ordinary shares carry 80% voting rights of the Company and B1 Ordinary shares carry 20% of the voting rights. The A2 Ordinary shares and B2 Ordinary shares carry no voting rights. All Ordinary shares carry rights to voted dividends.

The A Preferred and B Preferred shares carry no voting rights and no right to dividends distribution. They are only redeemable at the discretion of the Group.

24. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Profit and loss account

The profit and loss account reflects the entity's accumulated earnings less dividends paid and payable.

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

25. Business combinations

On 19 May 2022, the Group acquired the entire share capital of Westronics Holdings Limited for a total consideration of £6,045,015. The acquisition has been accounted for by the acquisition method of accounting.

Acquisition of Westronics Holdings Limited

The book value and fair value of the assets and liabilities acquired were as follows:

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	43,413	(39,903)	3,510
Intangible	3,108,868	(3,108,868)	-
	<u>3,152,281</u>	<u>(3,148,771)</u>	<u>3,510</u>
Current Assets			
Stocks	161,428	(161,428)	-
Debtors	1,178,811	(94,616)	1,084,195
Cash at bank and in hand	1,364,776	-	1,364,776
	<u>5,857,296</u>	<u>(3,404,815)</u>	<u>2,452,481</u>
Total Assets			
Creditors			
Due within one year	(1,231,704)	(69,965)	(1,301,669)
	<u>4,625,592</u>	<u>(3,474,780)</u>	<u>1,150,812</u>
Total identifiable net assets			
			<u>4,894,203</u>
Goodwill			
			<u>6,045,015</u>
Total purchase consideration			
			<u>6,045,015</u>
Consideration			
			£
Cash			5,288,346
Non-cash consideration			625,000
Directly attributable costs			131,669
			<u>6,045,015</u>
Total purchase consideration			
			<u>6,045,015</u>
Cash outflow on acquisition			

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

25. Business combinations (continued)

The results of Westronics Holdings Limited since acquisition are as follows:

	Current period since acquisition £
Turnover	1,060,627
Profit for the period since acquisition	374,242

Acquisition of Inno Fire and Security Limited

On 19 July 2022, the Group acquired the entire share capital of Inno Fire and Security Limited for a total consideration of £652,792. The acquisition has been accounted for by the acquisition method of accounting.

The book value and fair value of the assets and liabilities acquired were as follows:

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	6,497	(6,497)	-
	<u>6,497</u>	<u>(6,497)</u>	<u>-</u>
Current Assets			
Stocks	4,000	(4,000)	-
Debtors	114,417	(33,599)	80,818
Cash at bank and in hand	229,576	-	229,576
Total Assets	<u>354,490</u>	<u>(44,096)</u>	<u>310,394</u>
Creditors			
Due within one year	(268,818)	(12,215)	(281,033)
Total Identifiable net assets	<u>85,672</u>	<u>(56,311)</u>	<u>29,361</u>
Goodwill			623,431
Total purchase consideration			<u>652,792</u>

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

25. Business combinations (continued)

Consideration

	£
Cash	603,412
Directly attributable costs	49,380
Total purchase consideration	<u>652,792</u>
Cash outflow on acquisition	

The results of Inno Fire and Security Limited since acquisition are as follows:

	Current period since acquisition £
Turnover	<u>75,640</u>
Profit for the period since acquisition	<u>16,751</u>

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

25. Business combinations (continued)

Acquisition of Fire Alarm Installations (UK) Limited

On 2 August 2022, the Group acquired the entire share capital of Fire Alarm Installations (UK) Limited for a total consideration of £697,812. The acquisition has been accounted for by the acquisition method of accounting.

The book value and fair value of the assets and liabilities acquired were as follows:

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	27,095	(4,021)	23,074
	<u>27,095</u>	<u>(4,021)</u>	<u>23,074</u>
Current Assets			
Stocks	23,407	(23,407)	-
Debtors	203,152	(55,159)	147,993
Cash at bank and in hand	27,566	-	27,566
Total Assets	<u>281,220</u>	<u>(82,587)</u>	<u>198,633</u>
Creditors			
Due within one year	(231,721)	323	(231,398)
Deferred taxation	(5,148)	-	(5,148)
Total identifiable net assets/(liabilities)	<u>44,351</u>	<u>(82,264)</u>	<u>(37,913)</u>
Goodwill			735,725
Total purchase consideration			<u>697,812</u>
Consideration			
			£
Cash			617,138
Directly attributable costs			80,674
Total purchase consideration			<u>697,812</u>
Cash outflow on acquisition			

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

25. Business combinations (continued)

The results of Fire Alarm Installations (UK) Limited since acquisition are as follows:

	Current period since acquisition £
Turnover	94,954
Profit for the period since acquisition	12,017

Acquisition of Apollo Alarms Limited

On 7 November 2022, the Group acquired the entire share capital of Apollo Alarms Limited for a total consideration of £458,192. The acquisition has been accounted for by the acquisition method of accounting.

The book value and fair value of the assets and liabilities acquired were as follows:

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	60,695	(31,184)	29,511
	<u>60,695</u>	<u>(31,184)</u>	<u>29,511</u>
Current Assets			
Stocks	3,000	(3,000)	-
Debtors	78,041	(18,390)	59,651
Cash at bank and in hand	44,959	-	44,959
Total Assets	<u>186,695</u>	<u>(52,574)</u>	<u>134,121</u>
Creditors			
Due within one year	(169,616)	(47,865)	(217,481)
Total identifiable net assets/(liabilities)	<u>17,079</u>	<u>(100,439)</u>	<u>(83,360)</u>
Goodwill			541,552
Total purchase consideration			<u>458,192</u>

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

25. Business combinations (continued)

Consideration

	£
Cash	400,000
Non-cash	15,305
Directly attributable costs	42,887
Total purchase consideration	458,192

Cash outflow on acquisition

The results of Apollo Alarms Limited since acquisition are as follows:

	Current period since acquisition £
Turnover	68,006
Profit for the period since acquisition	42,724

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

25. Business combinations (continued)

Acquisition of Marriott Security Limited

On 13 February 2023, the Group acquired the entire share capital of Marriott Security Limited for a total consideration of £901,229. The acquisition has been accounted for by the acquisition method of accounting.

The book value and fair value of the assets and liabilities acquired were as follows:

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	29,272	(17,682)	11,590
	<u>29,272</u>	<u>(17,682)</u>	<u>11,590</u>
Current Assets			
Stocks	43,017	(43,017)	-
Debtors	147,261	(13,657)	133,604
Cash at bank and in hand	314,329	-	314,329
Total Assets	<u>533,879</u>	<u>(74,356)</u>	<u>459,523</u>
Creditors			
Due within one year	(205,811)	(13,299)	(219,110)
Deferred taxation	(3,412)	-	(3,412)
Total identifiable net assets	<u>324,656</u>	<u>(87,655)</u>	<u>237,001</u>
Goodwill			664,228
Total purchase consideration			<u>901,229</u>
Consideration			
			£
Cash			854,836
Directly attributable costs			46,393
Total purchase consideration			<u>901,229</u>
Cash outflow on acquisition			

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

25. Business combinations (continued)

The results of Marriott Security Limited since acquisition are as follows:

	Current period since acquisition £
Turnover	100,462
Profit for the period since acquisition	<u>22,204</u>

26. Capital commitments

At the year end, the Group had capital commitments for motor vehicles of £1,150,479 (2022 - £342,077) and for IT equipment of £31,964 (2022 - £277,040).

27. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £500,498 (2022 - £459,642). There were contributions of £106,009 payable (2022 - £104,148) to the fund at the balance sheet date.

28. Commitments under operating leases

At 30 April the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	180,802	124,434
Later than 1 year and not later than 5 years	177,253	217,662
Later than 5 years	-	18,871
	<u>358,055</u>	<u>360,967</u>

The Company has no commitments under operating leases (2022 - None).

IGNIS TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

29. Related party transactions

In prior periods, costs were incurred with a shareholder of the Group. The initial cost has been amortised over the expected life of the debt instrument to which it relates. The total costs recognised as an expense in the year for the Group totalled £Nil (2022 - £71,889).

During the year, costs were incurred with a shareholder of the Group totalling £100,000 (2022 - £100,000) for monitoring fees.

During the year, the Group paid non-executive director fees to a company owned by a director totalling £73,125 (2022 - £65,000).

During the year, a close family member of a director was employed by the Group with a total expense to the company of £41,542 (2022 - £21,190).

In prior periods, loan notes were issued by a shareholder of the group. Interest has been accrued at 10%, the total interest recognised in the period was £Nil (2022 - £12,225).

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

The total remuneration to key management personnel during the year was £2,188,642 (2022 - £1,655,685).

30. Post balance sheet events

Acquisitive growth continues to be a critical component of Churches' growth. Since the year-end the Group has completed three further acquisitions: Quantum Fire & Security Limited in May 2023, Fire Compliance Management Services Limited in June 2023, A.P.E. Fire and Security Limited in August 2023 and Arnage Electronic Security Limited in September 2023. Additionally, there are a number of potential transactions in exclusive negotiation plus a healthy pipeline of targets at an earlier stage of development.

31. Controlling party

The directors do not consider there to be an ultimate controlling party.