

**REGISTERED NUMBER: 13833419 (England and Wales)**

**XEINADIN TOPCO 1 LIMITED  
GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

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**XEINADIN TOPCO 1 LIMITED**

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31 MAY 2023**

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**XEINADIN TOPCO 1 LIMITED  
COMPANY INFORMATION  
FOR THE PERIOD ENDED 31 MAY 2023**

**DIRECTORS:**

D Crowley  
N Ballard  
S Nice  
J Dwyer  
T Lightowler  
A Marsh  
M Taylor

**REGISTERED OFFICE:**

8th Floor  
Becket House  
36 Old Jewry  
London  
EC2R 8DD

**REGISTERED NUMBER:**

13833419 (England and Wales)

**AUDITOR:**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**XEINADIN TOPCO 1 LIMITED**  
**GROUP STRATEGIC REPORT**  
**FOR THE PERIOD ENDED 31 MAY 2023**

The Directors present their Strategic Report for the 509 day period ended 31 May 2023.

**BUSINESS STRATEGY**

Xeinadin is a leading professional services company providing a full suite of accountancy, tax and other business advisory services to entrepreneurs, SMEs, corporations, and not-for-profit organisations situated throughout the United Kingdom (UK) and the Republic of Ireland (ROI). Through unmatched collaboration and innovation, we support and inspire clients to reach their strategic business goals or accomplish the mission of their organisation.

Our focus is predominantly on SME market clients and currently we advise over 60,000 clients across a wide range of sectors. Our vision is to be the most trusted business advisor and accountant for small and medium sized enterprises. Xeinadin interacts as a trusted advisor, partner and support network delivering an innovative approach blending our technical and specialist knowledge together with technology to provide data driven advice to clients in a local environment.

**FORMATION AND CORPORATE ACTIVITY**

The Company was incorporated in England on 7 January 2022. On 20 May 2022 the Group entered into a strategic partnership with the private equity firm Exponent and acquired Xeinadin Group Limited. This partnership involved Exponent making a significant minority investment in the Group to support the business's growth plans. Xeinadin Group Limited was formed on 1 June 2019 by the combination of 115 small and medium sized accountancy practices. Since formation a small number of member offices took the decision to exit the Group either via the voluntary exit window or as allowed by the Xeinadin Board because they were not suited to or did not appreciate the benefits arising from the corporate environment of the Group. In the period to 31 May 2023, none of the member offices exited the Group.

For the period ended 31 May 2023, the Group was strengthened with the acquisition of further 11 firms that will increase our local presence and strengthen the service offering to our clients. Post year end the Group has made a further five business combinations funded by trading profits and borrowings. The Group is also in negotiations with a number of potential target firms as the Group seeks to be a significant consolidator in the sector.

Following the investment above the Group has commenced a transformation programme focussed on delivering the foundational capabilities to build our target operating model to deliver the Xeinadin vision and strategy. This will include the development of common IT and security infrastructure and standardised framework and processes for Practice Management and HR. In so doing we will be able to harness the power of our data to develop added value services for our clients reinforcing our vision to be the trusted advisor to the SME market.

**TRADING ENVIRONMENT**

Xeinadin Topco 1 Limited acquired Xeinadin Group Limited and its subsidiaries on 20 May 2022 and the performance of the Group in the current period is in line with the expectation of Management following the strategic partnership with Exponent.

The support our trusted advisory teams have provided to our clients to has further strengthened that trusted relationship with them. It has helped put the business into growth and enabled us to grow our client base with increased net new business generation and increased levels of business referral across the Group.

We anticipate the economic headwinds including inflation, energy prices, interest rates and a tight labour market to impact the year ahead. These headwinds will impact all sectors of the economy and will inevitably result in higher levels of business failures.

The accounting and business advisory sector has generally proved to be resilient during recessionary periods and this is supported by the experience of the practices in the Group.

The tight UK & ROI labour market is very keenly felt in the accounting and professional services sector where there has clearly been a change to the labour market conditions following the pandemic. To mitigate this impact, Xeinadin's talent acquisition strategy is focussed on leveraging the brand to increase our market presence, expanding our dedicated talent acquisition team and further developing our compelling employee value proposition.

**XEINADIN TOPCO 1 LIMITED**

**GROUP STRATEGIC REPORT**  
**FOR THE PERIOD ENDED 31 MAY 2023**

**BUSINESS REVIEW****Financial performance**

Revenue for the period of £131.6m was in line with expectations; prior period Xeinadin Group Limited (XGL) revenue before acquisition was £107m and same entities achieved a revenue of £117m in FY23 (Revenue for the bolt-on acquisitions was £10m and for those acquired in FY23 was £3.3m). Group revenue for the period was in line with Management expectations and demonstrates a very resilient performance.

The main measures of the Group's performance are Revenue, Operating Profit and Earnings before Non-trading items, Interest, Taxation, Depreciation and Amortisation (adjusted EBITDA).

Adjusted EBITDA reconciles to loss after tax as follows

|                                         | <b>2023</b>   |
|-----------------------------------------|---------------|
|                                         | <b>£m</b>     |
| EBITDA                                  | 35.6          |
| Amortisation of Intangible Fixed Assets | (10.7)        |
| Impairment of Goodwill                  |               |
| Depreciation of Tangible Fixed Assets   | (3.4)         |
| Transaction and exceptional costs       | (17.8)        |
| Net finance cost                        | (43.8)        |
| Taxation                                | 0.4           |
| <b>Loss after Taxation</b>              | <b>(39.7)</b> |

The loss for the period of £39.7m is after deducting £17.8m of non-trading and exceptional items and £43.8m of interest relating to preference shares (£33.2m), loan notes (£3.4m), bank loans (£8.9m) and amortised loan cost and other charges (£2.4m), less £4.1m change in fair value of derivative financial instrument.

As shown on page 14, the trading profit for the year amounts to £21.6m which as a percentage of turnover is 16.4% in line with expectation and includes an increase in head office salary costs brought about by an increase in the number of staff employed as the Group is being built up.

Since the year end, the Group has continued to trade successfully with all key KPIs being materially maintained. There have been no further exits from the Group since year end.

**Financial position**

The consolidated statement of financial position on page 16 shows the Group's financial position at the year end. The Group's financial position was considered strong in terms of working capital and cash and the Directors believe the Group to be well positioned for future growth.

The net liabilities of £38.6m reflect the financing structure of the Group which consist of preference shares, loan notes and bank loans. Preference shares and loan notes accrue a fixed coupon of 12% per annum compounding annually and bank loans are based on SONIA plus margins (of between 4% and 5.25%). Preference shares are accounted for as debt instruments with the debt at £305.8m (£272.7m subscription price and £33.1m accrued interest) as at year end. If all of this were accounted for as equity, then the effect would be to increase equity and shareholder funds by £305.8m and Group net assets would be £263.1m. The Group has current assets of £63.1m and net current assets of £23.1m. Preference shares are repayable in 2032 or in the event of a sale of the Group .

**Business risk**

The Group is managed through nine Regional Hubs across the UK and Ireland. This structure aims to optimise span of control and identify opportunities for both Revenue Growth and Cost Synergies and cash collection/treasury Management.

Risk Management is an important element of the Management process throughout the Group, and internal controls have been developed and are continuously reviewed to address the principal business risk which is considered to be operational risk. The company has a range of processes in place to accurately identify, control and mitigate risks across all areas of the business.

## **XEINADIN TOPCO 1 LIMITED**

### **GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MAY 2023**

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

##### **Business risk**

The Group's most important assets are its team members, clients, and IT infrastructure.

- As a people led organisation Xeinadin supports its team members by developing, training and understanding them. During the current period the business has continued to roll out the "Evolve" programme, a professional development training programme for all client facing teams.
- The needs of the Group's clients are continually reviewed to ensure that the Group meets its objective of providing an industry leading business advisory service.
- Xeinadin recognises the importance of safeguarding data, and we are continuously assessing our GDPR and security policies and procedures to ensure compliance.
- The Group recognises the importance of its IT infrastructure both internally and client facing and is building a roadmap as part of the Transformation programme to become industry leading through its investment in this area.
- Current economic conditions are being monitored closely but as Xeinadin is not reliant on any major clients or sectors, the Group firms have proven to be extremely resilient to economic downturns.

Management monitors other risks and uncertainties within the business. These include competition, and changes in regulation. Controls exist to ensure information is made available to enable Management to monitor the performance of the Group. The controls address the performance of the Group based on monthly Management accounts and KPIs which include details of fee income, overhead costs and working capital performance. The business regularly monitors new business wins, client attrition and relies on monthly Management accounts together with an annual budget and quarterly forecasting system to identify any trading downturn in time to carry out the necessary mitigating actions.

#### **OTHER RISKS AND UNCERTAINTIES**

##### **Currency risk**

The Group is not exposed to material currency risk as firms in the Republic of Ireland match both cash inflows and outflows in euros. There is less than 1% of the Group's income base which is not denominated in either sterling or euro currency, driving any currency volatility. Any foreign exchange impact reported in the financial statements is primarily due to translating the consolidated results of the Group into sterling at the balance sheet date.

##### **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 Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The Group is financed through a combination of bank and debt instruments that carry variable and fixed rates of interest (see note 17 for more details). The appropriateness of these bank and debt instruments and the risks related to variable rate debt are periodically reviewed by Management and the Board. These facilities are secured against the assets of the Group including those of the company. The financing provides the necessary headroom to support the expansion plans of the business. These facilities are also subject of financial bank covenants, which Management monitors on a regular basis to ensure that there are no actual or anticipated breaches. There were no covenant breaches during the reporting period.

##### **Credit risk**

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade receivables are reviewed on a regular basis and where required, an impairment to expected credit loss is provided. These assessments have been completed using our best knowledge of the impact to the industries and our clients within the sectors most impacted by the current economic environment.

##### **Cash flow risk**

Cash flow risk is primarily mitigated by a central collection process and statistics monitored by the Group finance team which prevents debts from becoming significantly aged. Regular updates with the member firms ensures the required feedback and any relevant actions to take, to ensure the Group mitigates any significant debts from becoming uncollectable.

##### **Price risk**

The Directors and Management work hard to grow and develop the Group and maintain strong relationships with both the Group's partners and customers. However, the Group faces industry wide risks in the form of both competition and legislation. The Group is still competing against smaller accountancy firms so must ensure its pricing is appropriate to such markets. Offering a local service with emphasis on client satisfaction mitigates some of the risk. The Directors continue to manage such risks through regular reviews at monthly board meetings.

**XEINADIN TOPCO 1 LIMITED****GROUP STRATEGIC REPORT  
FOR THE PERIOD ENDED 31 MAY 2023****Going concern**

The accounts are prepared on a going concern basis as at the time of approving the financial statements the Directors having reassessed the principal risks and uncertainties have a reasonable expectation that the Group and company have adequate resources to continue in operational existence for the foreseeable future. The Majority of the Group revenues are recurring which underpins a strong trading performance.

As noted in the review of business section in strategic report, the Group EBITDA is consistent with budget and Management expectation following the acquisitions made. The funding received from Exponent has increased the cash position and put the Group in a strong position to complete further acquisitions and continue to grow EBITDA. As at 31 May 2023, the Group balance sheet shows net liabilities of £38.6 million; this position reflects the financing structure of the Group, including preference shares of £306m, including accrued interest. As the preference shares are first repayable in 2032, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future and expect to be able to refinance the preference shares when due in 2032. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern for the next twelve months from the date of signing these financial statements. In reaching this conclusion Management considered the results from a number of scenario tests on the Group's forward-looking results and cash flow projections. Group

The Directors have considered a base case FY24 budget against 2 scenarios. These scenarios show that the Group would continue to meet its financial covenant and meet its liabilities as they fall due for the period ended 31 May 2024. One of the scenario assumes flat revenue year on year growth and one shows a deterioration in working capital. Core EBITDA would need to fall to 70% of FY23 level (£35m) in order to breach bank covenants for the period ended 31 May 2024.

Accordingly, the Directors continue to adopt the going concern basis in preparing the strategic report, directors report and accounts.

**Future developments**

The Group will continue to advance its strategic plan to become a leading advisory firm to the SME sector underpinned by a strong technology platform. The Group intends to seek further acquisitions that will contribute to our strategic goal to grow the Group substantially over the future years. The Group has a plan to grow via its implemented hub structure both in terms of revenue and profitability through organic growth within its existing core markets and through acquisition in other geographies which have similar market characteristics and will allow the Group to apply its differentiated business model.

**GREENHOUSE GAS EMISSIONS**

Xeinadin is a newly formed Group, and whilst reporting at a Group level for the financial year, has taken the option to exclude from the report, any energy and carbon information relating to its subsidiaries where the subsidiaries would not themselves be obliged to include if reporting on their own account. Xeinadin qualifies as a Consolidated Group, but no subsidiaries need to be included as they fall under the reporting thresholds.

As the business matures its processes to monitor the Group's greenhouse gas emissions, the business intends to put in measures to track its emissions in line with the guidelines set up under the 2018 Streamlined Energy and Carbon Reporting regulations (SECR). The Directors are committed in connection with the overall Group strategy on climate change and have put several measures in place outlined below to reduce its Carbon footprint over the coming financial years and to track this performance to evidence such plans.

Whilst no quantitative data is required for the publication of its financial statements under the Companies (director's report) and Limited Liability Partnerships (Energy and Carbon report) Regulation 2018, in terms of CO2 tonnes generated and its intensity calculations, the following measures have been deployed to support the Group's overall Climate Change initiatives. The business concurs that CO2 emissions in connection with its energy usage and business travel exist, which need to be managed and monitored accurately in the future.

The Group is in the process of signing up to the Science Based Target Initiative (SBTI) which is an internationally recognized programme designed to monitor and improve carbon footprint targets. Joining this program, which recognises the level of climate action needed globally to align to the Paris Agreement and translates these into specific business targets, shows the Group's commitment to the world problems around climate change as well as setting a leadership example and guiding its clients accordingly on how they can adopt a greener approach to the way they operate in the future. This will further improve the Group's reputation, drive innovation, anticipate legislative changes, and ultimately reduce future business costs.

Xeinadin is aware of the threat of technological advancement and is currently developing forward thinking finance tools (product life cycle assessments, a sustainability ideas database and predictive tax and grant advice) to support and protect its current customer base in a changing environment. The business is looking to recycle its future IT equipment through a more circular supply chain as opposed to a linear approach and run change management courses to continually educate and reinforce its sustainability plans to its staff as well as its current and prospective clients.

## **XEINADIN TOPCO 1 LIMITED**

### **GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MAY 2023**

Xeinadin is focused on the need to demonstrate its awareness of climate change to potential investors, by showing commitment to reducing its carbon footprint. More and more investors are backing environmentally conscious businesses and Xeinadin is targeting an annual reduction in its carbon footprint, including looking at investments which support its future sustainability strategy. This strategy extends beyond investment and focuses also on engaging with national Suppliers with vested interests in sustainability (carbon reduction initiative), aligned to the ISO 14001 accreditation and there is a clear intention to condense its supply chain around those likeminded suppliers. Over the coming year the business is planning to commence the process to gain the ISO 14001 accreditation.

The business offers its clients tax and grant advice (informing on the tax implications of environmental changes) as well as sharing its sustainability ideas with clients. By creating a proactive risk assessment tool for its clients, this will further raise awareness and connect to its client base to further add to the Group's intentions around sustainability.

The Group, as part of its continual improvement initiatives, is training both its team (creating Sustainability Consultants) and client base and is looking for sponsors to promote its mission around its carbon footprint objectives. These sponsors will champion the programme on behalf of the Group and focus on team awareness as well as change Management strategies, including changes to its members' business models and operational processes.

The Group is aware of the effect of climate change on its financial performance. The Directors accept other risks and opportunities under the TCFD guidance need to be considered. The Directors remain focused on reducing the Group's carbon footprint through the several key initiatives set out above and will further support this by tracking its CO2 emissions over the coming financial years with improved reporting as part of both the SBTi and encouraging more environmentally friendly strategies. The Directors will be setting up the processes and reporting required in order to create potential business opportunities with a low carbon strategy responding to climate change. Both client and future Investor perception is critical, as part of the Group's strategy of reducing its future greenhouse gas emissions, driving both the business future profitability and future valuation.

#### **SECTION 172(1) STATEMENT**

Section 172 of the Companies Act 2006 requires a Director of a company to act in a way he or she considers in good faith would most likely provide the success of the company for the benefit of its members as a whole and in doing so, have regards (amongst other matters) to the following key areas of focus:

- a) The likely consequences of any decisions in the long term
- b) The interests of its employees
- c) The need to foster the company's business relationships with suppliers, customers, and other key stakeholders
- d) The Impact of the company's operation on both the community and the environment
- e) The desirability of the company maintaining a reputation for high standards of business conduct and
- f) The need to act fairly between all members of the company

In adherence to their duty under s172, the Directors have considered the above factors and consider the interests of all relevant stakeholders when making decisions on behalf of the Group. This has been set out below under the following subheadings:

#### **The likely consequences of any decisions in the long term**

The Group consist of over 110 accountancy firms who offer a range of tailored advisory services to their diverse client bases. The Group considers the success of the business is not just down to its financial performance, but the social and environmental impact of its operation is equally important. As a UK and Ireland professional services business, the Group aims to:

- continuously develop the workplace for its employees through long term succession planning, ensuring talent retention and knowledge development by bringing up the next wave of pivotal staff.
- provide sustainable growth through responsible and innovative business practices through development of interactive systems and training. The business offers its clients tax and grant advice around sustainability, creating a proactive risk assessment tool for its clients, raising awareness, and connecting to its client base, to further add to client awareness on various environmental, commercial, and social matters. The business is continuously looking for more forward-thinking solutions as well as developing its BI systems at a Group level to provide more informed, responsive solutions for its clients.
- positively engage with all communities in which the Group operates through a range of both charitable and fund-raising activities.

There are Group policies and procedure in place to ensure the business succeeds in meeting its key performance indicators and it integrates responsible business practice through its clear Management structure.



**XEINADIN TOPCO 1 LIMITED**  
**GROUP STRATEGIC REPORT**  
**FOR THE PERIOD ENDED 31 MAY 2023**

**The interests of its employees**

The Group places considerable value on the participation and involvement of all its Directors and employees and has various channels of communication for engagement. The succession planning internally is being used to build up the next layer for bringing in after the retirement of key Directors. The business continued to roll out the Evolve programme to keep their staff abreast of the latest knowledge and empower their skillset to provide leading advice to their clients.

Employees continue to be at the heart of the business, all of whom play a pivotal part in the business' continuing efforts to be at the forefront of the professional services industry, through offering leading industry service and expertise. During the period, regular meetings are held between Management and its employees to communicate the financial performance and business strategy. Employees are regularly consulted to obtain their views on all matters affecting them and by doing so are aware of the financial, social, and economic factors affecting the performance of the company.

**The need to foster the company's business relationships with customers, suppliers, and other key stakeholders**

Strong client relations are achieved through receiving regular client feedback and the Group's ongoing commitment to delivering excellent customer service through a clear, solutions orientated approach, ongoing engagement and implementation of all regulatory requirements help the Group develop and maintain open and transparent relationships with all its regulators. Regular assurance reviews are carried out by the relevant professional institutes as part of ensuring the company's fairness and professional conduct in managing all client complaints and that these are dealt with on a timely basis.

The Group has developed good working relationships with Exponent and the Group's lender group. Exponent attend monthly Board meetings where ongoing performance is discussed. The Group also provides the lender group with regular performance updates and engages through regular reporting as required by the lender agreements.

**The impact of the company's operation on both the community and the environment**

The Group is committed to promoting the conservation of natural resources, preventing environmental pollution, and is continually improving its performance through its ongoing sustainability programme (See carbon emissions disclosure). The Group regards environmental regulations, laws, and codes of practice as the minimum standard that it should aim for and works towards exceeding these benchmarks.

The Group supports its corporate responsibility through all its subsidiary firms and actively encourages both the Directors and its staff to participate in its responsibility code.

**The desirability of the company to maintain a reputation for high standards of business conduct**

The Group is purpose led, helping its clients, its people, and its communities to all thrive. The Group strategy is built around a set of core values embedded into its operations and culture, which in turn guides the balanced decisions made by the directors of the Group. The Group's compliance with regulations (including various accountancy bodies), further supports the adherence to the highest standards of conduct and ethics.

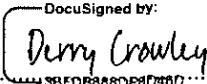
The appointment of an experienced board to oversee the development of the future strategy and ensure growth is pursued in a sustainable and responsible manner, further supports the Group's compliance to the highest code of behaviours.

**The need to act fairly between members of the company**

The Directors obtain feedback from the investors and incorporate feedback into their decision-making process where appropriate. The Management structure, with control at a Group level, ensures the interests of all Group entities are very closely aligned, to ensure standards are being upheld and behaviours are in alignment with the Xeinadin practice.

As a result, the transactions between the company and other member firms of the Group are carried out at both an arm's length and on a commercial basis. There is a Group-wide growth mentality that supports the referral processes being used openly and honestly, to ensure that work is being properly passed over to the requisite member firms who are best placed to deal with it.

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
  
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D Crowley - Director

Date: 14/12/2023

## **XEINADIN TOPCO 1 LIMITED**

### **REPORT OF THE DIRECTORS FOR THE PERIOD ENDED 31 MAY 2023**

The directors present their report with the financial statements of the company and the Group for the period ended 31 May 2023.

The Company was incorporated on 7 January 2022. These financial statements are the first that the Company has prepared.

#### **DIVIDENDS**

The directors do not recommend payment of a dividend in respect of the period ended 31 May 2023.

#### **FUTURE DEVELOPMENTS**

The details of likely future developments in the Group's business are disclosed on page 5 of the Strategic Report.

#### **GOING CONCERN**

The financial statements are prepared on a going concern basis. The reasons for adopting this basis are disclosed on page 5 of the Strategic Report.

#### **EVENTS SINCE THE END OF THE YEAR**

Since the statement of financial position date, the Group has continued to trade successfully in line with Management's expectations.

On 1 June 2023, the Group, through XGL, purchased 100% of the share capital of Tyrrell & Company (Cambridge) Limited. On 21 July 2023, the Group, through XGL, purchased 100% of the share capital of Ballylawn Property Holding Limited. On 3 October 2023, the Group, through XGL, purchased 100% of the share capital of Alacrity Accountancy Limited. On 23 October 2023, the Group, through XGL, purchased 100% of the share capital of EK & Co 2003 Limited. On 1 November 2023, the Group, through Xeinadin Professional Services (Ireland) Limited, purchased the net assets of Quintas Partners and Quintas Wealth Management and 100% of the share capital of Quintas Secretarial Services Limited, Quintas Insolvency Services Limited, and Quintas Consulting Services Private Limited. On 8 December 2023, the Group, through XGL, purchased 100% of the share capital of David Cadwallader & Co Limited.

Due to the proximity of the acquisition to the finalisation of these financial statements, management has not completed its assessment of the fair values of the assets and liabilities acquired and not completed the Purchas Price Allocation (PPA) exercise for the post year-end acquisitions. Therefore, full financial impact of post year-end acquisitions has not been disclosed.

#### **DIRECTORS**

The Directors who served during the period were;

D Crowley – appointed on 20 May 2022  
N Ballard – appointed on 29 June 2023  
S Nice – appointed on 20 May 2022  
J Dwyer – appointed on 20 May 2022  
T Lightowler – appointed on 7 January 2022  
A Marsh – appointed on 20 May 2022  
M Taylor – appointed on 7 January 2022  
P Benoit – appointed on 20 May 2022 and resigned on 1 June 2023

#### **DIRECTORS' INDEMNITIES**

The Directors are covered by appropriate directors' liability insurance maintained by Xeinadin Topco 1 Limited, the parent company, and are also indemnified in the company's Articles of Association.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES**

The principal financial risks to which the Group are exposed to are disclosed in the Strategic report.

#### **STREAMLINED ENERGY AND CARBON REPORTING (SECR)**

The Group is aware of the effect of climate change on its financial performance. The Directors accept other risks and opportunities need to be considered as part of encouraging more environmental strategies. None of the Group's subsidiaries individually fall within scope of SECR reporting due to their size, hence the Group's SECR reporting requirement covers just the parent company, Xeinadin Topco 1 Limited, consumes less than 40,000 kwh per year, and hence is also exempt from SECR reporting. Further details regarding greenhouse gas emissions can be found on page 5 of the Strategic Report.

#### **EMPLOYEE INVOLVEMENT**

The Xeinadin Group operates an equal opportunities policy that aims to ensure all employees are treated fairly across the Group. The Group places considerable value on the participative involvement of its Directors and employees and has various channels of communication and engagement. During the period, regular meetings are held between Management and its employees to communicate the performance of the Group and business strategy. Employees are regularly consulted on matters affecting them and by doing so are aware of the financial, social and economic factors affecting the performance of the Group.

**XEINADIN TOPCO 1 LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE PERIOD ENDED 31 MAY 2023**

The Group gives full and fair consideration to the application for employment from disabled persons where the requirement of the job may be adequately covered by a disabled person. With regards to existing employees who become disabled, the Group has continued to explore ways of providing continuing employment under normal terms and conditions. Disabled persons are offered the same opportunities regarding training, career progression and promotion.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Group Strategic Report, the Report of the 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 UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

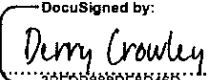
Each of the persons who are Directors at the time when the Directors report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Group auditors are unaware and,
- the Directors have 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 Group's auditors are aware of that information.

**AUDITORS**

The auditors, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
  
D Crowley - Director

Date: 14/12/2023

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XEINADIN TOPCO 1 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 May 2023 and of the Group's loss for the period then ended; and
- the financial statements have been properly prepared in accordance with UK adopted International Accounting Standards
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Xeinadin Topco 1 Limited ("the Parent Company") and its subsidiaries ("the Group") for the 17 month period from incorporation to 31 May 2023 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

### **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 are 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 or 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XEINADIN TOPCO 1 LIMITED**

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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the 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.

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these; and
- Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition (specifically the valuation of accrued income), the valuation of accounts receivable, management override of controls, the valuation of the assumptions and business assets acquired through the acquisition of the legacy business undertaken on 20 May 2022, the cash flow assumptions used within the forecasts to prepare the impairment assessment under IAS 36 and the level at which cash generating units are aggregated to form the goodwill assessment.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XEINADIN TOPCO 1 LIMITED**

Our procedures in respect of the above included:

- We conducted testing of journals across the largest 21 entities of the Group, focussing on the audit of journals with parameters outside of normal expectations from revenue postings;
- We tested consolidated adjustments posted to ensure that there were reasonable and expected, and where these exceeded a certain threshold, were corroborated to supporting documentation provided by Management;
- The audit team considered Management's judgments, utilising data available to support and challenge judgments made respectively and considering whether any overall bias existed within accounting judgments and estimates made by Management in preparing the Group's financial statements. This included, where applicable, consideration of prior year outturn on certain judgments made in the subsidiary consolidation of Xinadin Group Limited as at 31 May 2022;
- The audit team challenged individual subsidiaries of the Group on the existence of potential negligence claims (or otherwise) based on current circumstances and obtained a view on their likely outcome to the Group, in addition to establishing whether these were indicative of fraud in relation to the Group's compliance framework with regulatory bodies and otherwise;
- The audit team's approach to revenue involved specific focus on challenging assessments and assumptions made around accounting for contract asset and contract liability balances at the year-end by challenging to timesheets or evidence of milestone completions, together with percentage completion of projects sampled, which is considered to be most open to Management judgement;
- We conducted testing of employee costs to testing of existence of those employees to ensure validity of costs incurred in relation to employee wages and salaries; and
- We performed testing around transactions with Directors to ensure that no material fraud was occurring in respect of transactions being undertaken directly with Directors.
- We assessed significant estimates made by management for bias which includes revenue forecasts, cashflow forecasts, and discount rates used for both the purchase price allocation accounting under IFRS 3 and the IAS 36 impairment review. We assessed the valuation methodologies included in these estimates; and
- We assessed the reasonableness of the level at which management allocated goodwill to the groups of cash generating units.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

### **Non-compliance with laws and regulations**

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance, also consider legal counsel, and other external regulators;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Other tax legislation, accounting framework,
- we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Companies Act 2006, tax legislation in the UK and Republic of Ireland and the requirements of regulatory bodies including the Institute of Chartered Accountants in England and Wales ('ICAEW') and Institute of Chartered Accountants in Ireland ('ICAI').

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
XEINADIN TOPCO 1 LIMITED**

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of corporation tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- We have reviewed the FCA register website for exemptions and exclusion of all entities included in Xeinadin TopCo 1 Limited.

**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.

**Andrew Radford** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
Date: 14 December 2023

DocuSigned by:  
*Andrew Radford*  
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BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**XEINADIN TOPCO 1 LIMITED****CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 MAY 2023**

|                                                         |       |               |                                            | 509 day<br>period<br>ending 31<br>May 2023 |
|---------------------------------------------------------|-------|---------------|--------------------------------------------|--------------------------------------------|
|                                                         | Notes | Trading items | Non-trading<br>and<br>exceptional<br>items | Total                                      |
|                                                         |       | £000          | £000                                       | £000                                       |
| <b>CONTINUING OPERATIONS</b>                            |       |               |                                            |                                            |
| Revenue                                                 | 3     | 131,650       |                                            | 131,650                                    |
| Other operating income                                  | 4     | 562           | 369                                        | 931                                        |
| Staff costs                                             | 5     | (74,368)      |                                            | (74,368)                                   |
| Depreciation, amortisation, and impairment              |       | (14,043)      |                                            | (14,043)                                   |
| Other operating expenses                                | 6     | (22,240)      | (18,190)                                   | (40,430)                                   |
| Share of profit of an associate                         | 12    | 31            |                                            | 31                                         |
| <b>OPERATING PROFIT</b>                                 |       | 21,592        | (17,821)                                   | 3,771                                      |
| Finance costs                                           | 7     | (47,958)      |                                            | (47,958)                                   |
| Finance income                                          | 7     | 13            |                                            | 13                                         |
| Change in fair value of derivative financial instrument | 28    | 4,087         |                                            | 4,087                                      |
| <b>LOSS BEFORE TAXATION</b>                             |       | (22,266)      | (17,821)                                   | (40,087)                                   |
| Taxation                                                | 8     | 365           |                                            | 365                                        |
| <b>LOSS FOR THE PERIOD</b>                              |       | (21,901)      | (17,821)                                   | (39,722)                                   |

The notes form part of these financial statements.



**XEINADIN TOPCO 1 LIMITED****CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE PERIOD ENDED 31 MAY 2023****509 day  
period ending  
31 May 2023**

|                                                                                     | Notes | <b>£000</b>            |
|-------------------------------------------------------------------------------------|-------|------------------------|
| <b>OTHER COMPREHENSIVE INCOME/LOSS</b>                                              |       |                        |
| Item that may be reclassified subsequently to profit or loss:                       |       |                        |
| Exchange gain (loss) on consolidation                                               |       | 112                    |
| Income tax relating to item that may be reclassified subsequently to profit or loss |       | -                      |
| <b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX</b>                 |       | <u>112</u>             |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>                                      |       | <u><b>(39,610)</b></u> |

The notes form part of these financial statements.

**XEINADIN TOPCO 1 LIMITED (REGISTERED NUMBER: 13833419)****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 MAY 2023**

| <b>ASSETS</b>                   | <b>Notes</b> | <b>2023<br/>£000</b>   |
|---------------------------------|--------------|------------------------|
| <b>NON-CURRENT ASSETS</b>       |              |                        |
| Goodwill                        | 9            | 304,781                |
| Other Intangible assets         | 10           | 77,247                 |
| Derivative financial instrument | 28           | 4,087                  |
| Investment in associates        | 12           | 31                     |
| Property, plant, and equipment  | 13           | 2,573                  |
| Right of use assets             | 13           | 8,919                  |
|                                 |              | <u>397,638</u>         |
| <b>CURRENT ASSETS</b>           |              |                        |
| Trade and other receivables     | 14           | 30,971                 |
| Contract assets                 | 3 & 14       | 15,183                 |
| Tax receivable                  |              | 1,180                  |
| Cash at bank and in hand        | 15           | 15,757                 |
|                                 |              | <u>63,091</u>          |
| <b>TOTAL ASSETS</b>             |              | <u><u>460,729</u></u>  |
| <b>LIABILITIES</b>              |              |                        |
| <b>CURRENT LIABILITIES</b>      |              |                        |
| Trade and other payables        | 16           | 25,862                 |
| Contract liabilities            | 3            | 2,840                  |
| Lease liabilities               | 18           | 2,358                  |
| Loans and borrowings            | 17           | 6,250                  |
| Deferred tax                    | 20           | 2,665                  |
|                                 |              | <u>39,975</u>          |
| <b>NON-CURRENT LIABILITIES</b>  |              |                        |
| Trade and other payables        | 16           | 5,453                  |
| Lease liabilities               | 18           | 6,954                  |
| Loans and borrowings            | 17           | 430,114                |
| Deferred tax                    | 20           | 16,843                 |
|                                 |              | <u>459,364</u>         |
| <b>TOTAL LIABILITIES</b>        |              | <u>499,339</u>         |
| <b>NET LIABILITIES</b>          |              | <u><u>(38,610)</u></u> |

The notes form part of these financial statements.

**XEINADIN TOPCO 1 LIMITED (REGISTERED NUMBER: 13833419)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 MAY 2023**

|                         | Notes | 2023<br>£000    |
|-------------------------|-------|-----------------|
| Called up share capital | 21    | 10              |
| Share premium           | 22    | 990             |
| Retained earnings       | 22    | (39,610)        |
| <b>TOTAL EQUITY</b>     |       | <b>(38,610)</b> |

The financial statements were approved by the Board of Directors and authorised for issue on 14/12/2023 and were signed on its behalf by:

DocuSigned by:  
Simon Nae  
PADOCC683D9194B4  
S O Nice - Director

DocuSigned by:  
Derry Crowley  
3BFDD888DFBD46D  
D Crowley – Director

The notes form part of these financial statements.

**XEINADIN TOPCO 1 LIMITED (REGISTERED NUMBER: 13833419)****COMPANY STATEMENT OF FINANCIAL POSITION  
31 MAY 2023**

|                                | <b>Notes</b> | <b>2023<br/>£000</b> |
|--------------------------------|--------------|----------------------|
| <b>ASSETS</b>                  |              |                      |
| <b>NON-CURRENT ASSETS</b>      |              |                      |
| Investment                     | 12           | 124,156              |
| Trade and other receivables    | 14           | 155,857              |
|                                |              | <u>280,013</u>       |
| <b>CURRENT ASSETS</b>          |              |                      |
| Trade and other receivables    | 14           | 10,809               |
|                                |              | <u>10,809</u>        |
| <b>TOTAL ASSETS</b>            |              | <u>290,822</u>       |
| <b>LIABILITIES</b>             |              |                      |
| <b>CURRENT LIABILITIES</b>     |              |                      |
| Trade and other payables       | 16           | 39                   |
|                                |              | <u>39</u>            |
| <b>NON-CURRENT LIABILITIES</b> |              |                      |
| Loans and borrowings           |              | <u>305,753</u>       |
| <b>TOTAL LIABILITIES</b>       |              | <u>305,792</u>       |
| <b>NET LIABILITIES</b>         |              | <u>(14,970)</u>      |
| Called up share capital        | 21           | 10                   |
| Share premium                  | 22           | 990                  |
| Retained earnings              | 22           | (15,970)             |
| <b>Total equity</b>            |              | <u>(14,970)</u>      |

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. The parent company's loss for the financial period was £15,969,549.

The financial statements were approved by the Board of Directors and authorised for issue on 14/12/2023 and were signed on its behalf by:

DocuSigned by:  
Simon Mee  
S O Nice - Director

DocuSigned by:  
Derry Crowley  
D Crowley – Director

The notes form part of these financial statements.

## XEINADIN TOPCO 1 LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MAY 2023**

|                                                   | Called up<br>share<br>capital<br>£000 | Retained<br>earnings<br>£000 | Share<br>premium<br>£000 | Total equity<br>£000 |
|---------------------------------------------------|---------------------------------------|------------------------------|--------------------------|----------------------|
| As at 7 January 2022                              | -                                     | -                            | -                        | -                    |
| <b>Comprehensive expense for the period</b>       |                                       |                              |                          |                      |
| Loss for the period                               | -                                     | (39,610)                     | -                        | (39,610)             |
| <b>Total comprehensive loss for the period</b>    | -                                     | (39,610)                     | -                        | (39,610)             |
| <b>Contribution by and distribution to owners</b> |                                       |                              |                          |                      |
| Shares issued during the period                   | 10                                    | -                            | 990                      | 1,000                |
| <b>Total transactions with owners</b>             | <u>10</u>                             | <u>(39,610)</u>              | <u>990</u>               | <u>(38,610)</u>      |

The notes form part of these financial statements.

**XEINADIN TOPCO 1 LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MAY 2023**

|                                                   | Called up<br>share<br>capital<br>£000 | Retained<br>earnings<br>£000 | Share<br>premium<br>£000 | Total<br>equity<br>£000 |
|---------------------------------------------------|---------------------------------------|------------------------------|--------------------------|-------------------------|
| As at 7 January 2022                              | -                                     | -                            | -                        | -                       |
| <b>Comprehensive expense for the period</b>       |                                       |                              |                          |                         |
| Loss for the period                               | -                                     | (15,970)                     | -                        | (15,970)                |
| <b>Total comprehensive loss for the period</b>    | <u>-</u>                              | <u>(15,970)</u>              | <u>-</u>                 | <u>(15,970)</u>         |
| <b>Contribution by and distribution to owners</b> |                                       |                              |                          |                         |
| Shares issued during the period                   | 10                                    | -                            | 990                      | 1,000                   |
| <b>Total transactions with owners</b>             | <u>10</u>                             | <u>(15,970)</u>              | <u>990</u>               | <u>(14,970)</u>         |

The notes form part of these financial statements.

## XEINADIN TOPCO 1 LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MAY 2023**

**Cash flows from operating activities**

|                                           |    | £000                  |
|-------------------------------------------|----|-----------------------|
| Operating profit                          |    | 3,771                 |
| Depreciation                              | 13 | 3,385                 |
| Amortisation of intangibles               | 10 | 10,658                |
| Share of profit of associates             | 12 | (31)                  |
|                                           |    | <hr/> <b>17,783</b>   |
| Increase in debtors                       |    | (4,816)               |
| Increase in contract assets               |    | (1,808)               |
| Decrease in contract liabilities          |    | (343)                 |
| Decrease in creditors                     |    | <hr/> (11,466)        |
| <b>Cash generated from operations</b>     |    | <b>(650)</b>          |
| Interest received                         | 7  | 13                    |
| Interest paid                             | 7  | (9,006)               |
| Lease interest paid                       | 7  | (397)                 |
| Tax paid                                  |    | (6,232)               |
| <b>NET CASH FROM OPERATING ACTIVITIES</b> |    | <hr/> <b>(16,272)</b> |

**Cash flows from investing activities**

|                                                    |    | £000                   |
|----------------------------------------------------|----|------------------------|
| Acquisition of subsidiaries (net of cash acquired) | 11 | (184,194)              |
| Purchase of tangible fixed assets                  | 13 | (2,059)                |
| Proceeds from sale of fixed assets                 | 7  | 7                      |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>          |    | <hr/> <b>(186,246)</b> |

**Cash flows from financing activities**

|                                                           |    | £000                 |
|-----------------------------------------------------------|----|----------------------|
| Proceeds from issue of ordinary shares                    | 21 | 340                  |
| Proceeds from issue of preference shares                  | 27 | 93,554               |
| Increase in other loans                                   | 27 | 28,444               |
| Repayment of lease liability                              | 27 | (2,813)              |
| Proceeds from bank loans (net of arrangement fees)        | 27 | 98,638               |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>                 |    | <hr/> <b>218,163</b> |
| Movement in cash and cash equivalents                     |    | 15,645               |
| Cash and cash equivalents at the start of the period      |    | -                    |
| Effect of foreign exchange rate changes                   |    | 112                  |
| <b>Cash and cash equivalents at the end of the period</b> |    | <hr/> <b>15,757</b>  |

The notes form part of these financial statements.

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****1. STATUTORY INFORMATION**

Xeinadin Topco 1 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 General Information page.

**2. ACCOUNTING POLICIES****Basis of preparation****Sections 479A and 479C subsidiary companies audit exemption: parent undertaking declaration of guarantee**

Xeinadin Topco 1 Limited, the parent company, has undertaken to guarantee all outstanding liabilities to which its UK trading subsidiaries are subject to at the end of the financial period, ending on 31 May 2023. This guarantee applies until a) they are satisfied in full, b) the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary is liable in respect of those liabilities and c) relates only to the year under guarantee.

The exemption applies to all its subsidiaries listed in note 12, excluding the entities which are dormant.

**Basis of preparation**

These financial statements have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared on the historical cost basis. The company has elected to take exemption under section 408 of the Companies Act 2006 not to present the company profit and loss account. The loss for the company for the period was £15,969,549.

The company has applied FRS 101 'Reduced Disclosure Framework' in the period ended 31 May 2023. The following exemptions from the requirement of IFRS have been applied in the preparation of the company's financial statements and, where relevant, equivalent disclosures have been made in the Group financial statements, in accordance with FRS 101:

- Presentation of a statement of cash flows and related notes;
- Disclosure of the objectives, policies and processes for managing capital;
- Disclosures of key Management personnel compensation;
- The requirement of IAS 24 (related party disclosures) to disclose related party transactions entered into between two or more members of a group;
- Disclosure of the categories of financial instruments and the nature and extent of risks arising on these financial instruments;
- The effect of financial instruments on the statement of comprehensive income;
- Information about financial instruments that have been reclassified or derecognised, transfers of financial assets, credit losses recorded in a separate account, netting arrangements, loan defaults or breaches and collateral;
- Comparative period reconciliations for the number of shares outstanding; and
- Disclosure of the future impact of new international financial reporting standards in issue but not yet effective at the reporting date and comparative narrative information.

The results of the Group are expressed in £ Sterling, which is the Group's functional currency since the majority of services, income, costs and underlying staff are dictated by the economic environment of the United Kingdom. The policy on foreign currency on page 27 discusses the method by which subsidiaries in differing functional currencies are converted into the presentational currency of £ sterling for the purposes of presenting the consolidated financial statements.

**New standards, interpretations and amendments not yet effective**

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)



**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****2. ACCOUNTING POLICIES - continued**

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability. The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

The following is a list of other new and amended standards which, at the time of writing, had been issued by the IASB but which are effective in future periods. The amount of quantitative and qualitative detail to be given about each of the standards will depend on each entity's own circumstances.

- IFRS 17 Insurance Contracts (effective 1 January 2023) - In June 2020, the IASB issued amendments to IFRS 17, including a deferral of its effective date to 1 January 2023.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements, effective from 1 January 2023.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Accounting Estimates, effective from 1 January 2023.
- Amendments to IAS 12 Income Taxes, Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective from 1 January 2023.
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 16 Leases, Lease Liability in a Sale and Leaseback, effective from 1.1.2024
- Amendments to IAS 1 Presentation of Financial Statements, Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants, effective from 1.1.2024

The directors do not expect that the adoption of the new Standard and amendments to the existing Standards listed above will have a material impact on the consolidated financial statements of the Group in future periods, except if indicated below.

**Basis of consolidation**

The Group financial statements consolidate those of the company and its Subsidiaries (together referred to as 'the Group'). The Group financial statements also include the Group's share of the after-tax results, other comprehensive income and net assets of its associates on an equity-accounted basis from the point at which significant influence respectively commences, to the date that it ceases. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the day that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation.

The subsidiaries are accounted for using the acquisition method and where a subsidiary is sold or no longer under Group control, an element of the acquisition date goodwill, net of any impairments, is included in determining the profit or loss on disposal.

**Business combinations**

The Group applies the acquisition method of accounting for business combinations when control is transferred to the Group.

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Any contingent consideration is measured at fair value at the date of acquisition. Subsequent changes in the fair value of the contingent consideration are recognized in the consolidated statement of profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition date fair values. The

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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valuation techniques used for measuring the fair value of material assets acquired are as follows:

- Intangible assets (brand names) – The relief from royalty method considers the discounted estimated royalty payments that are expected to be avoided because of the intangible assets being owned.
- Intangible assets (customer relationships) – the excess earnings method is used to value these intangible assets on acquisition. This method considers the use of the other assets in the generation of the projected cash flows of a specific asset to isolate the economic benefit generated by the subject intangible asset. The contribution of other assets, such as fixed assets, working capital, workforce, and other intangible asset, to overall cash flows is estimated through contributory asset "capital charges". The latter adjustment is made to separate the value of the intangible asset from the portion of the purchase price that has already been allocated to the net tangible assets and other intangible assets employed. Therefore, the value of the intangible asset is the present value of the after-tax cash flows potentially attributable to it, net of the return on fair value attributable to tangible and other intangible assets.
- Leases – a right of use asset and lease liability are recognised, measured as if the acquired lease were a new lease at the date of acquisition. The lease liability recognized is measured at the present value of the remaining lease payments, using a discount rate determined in accordance with IFRS16 at the date of acquisition.

Provisional amounts are included in acquired net assets when initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs. During the measurement period, provisional amounts will retrospectively be adjusted to reflect any new information obtained about facts and circumstances that existed at the acquisition date. The measurement period ends when all required information has been obtained, it is confirmed that it cannot be obtained or one year from the acquisition date, whichever date is the earliest. Any adjustments made in the measurement period will be reflected in the prior year financial statements. After the measurement period, any amendments will be recognized in the consolidated statement of profit or loss unless an error is corrected in accordance with IAS8.

**Investment in associates**

The Group has two associate companies, Xeinadin Audit Limited and Xeinadin Probate Services Limited, over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. The Group determines whether it has significant influence based on the voting and other rights it holds as a result of its investment and also any contractual arrangements in place.

The Group has a 45% shareholding in Xeinadin Audit Limited and in Xeinadin Probate Services Limited. This shareholding contains no voting rights but does have 100% entitlement to dividends. The other 55% shareholding is held by five directors from various Xeinadin firms. This shareholding contains voting rights but no entitlement to dividends.

As a result of its economic interest, the Group's investment in associates is accounted for using the equity method. Under the equity method, the investments are initially measured at cost. Subsequently, the carrying amounts are adjusted to recognise changes in the Group's share of net assets of the associate during the accounting period. The income statement reflects the Group's share of the associate's profit or loss after tax.

The aggregate of the Group's share of profit or loss of associates is shown on the face of the income statement within operating profit. The financial statements of the associates are prepared for the same accounting period as the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment. At each reporting date, the Group determines whether there is objective evidence that the impairments are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognise the loss in the income statement.

**Going concern**

The accounts are prepared on a going concern basis as at the time of approving the financial statements the Directors having reassessed the principal risks and uncertainties have a reasonable expectation that the Group and company have adequate resources to continue in operational existence for the foreseeable future. Majority of the Group revenues are recurring which underpins a strong trading performance.

As noted in the review of business section in strategic report, the Group EBITDA is consistent with budget and Management expectation following the acquisitions made. The funding received from Exponent has increased the cash position and put the Group in a strong position to complete further acquisitions and continue to grow EBITDA. As at 31 May 2023, the Group balance sheet shows net liabilities of £38.6 million; this net liability arises

Group

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due to the financing structure of the Group including preference shares of £306m, including accrued interest. As the preference shares are first repayable in 2032, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future and expect to be able to refinance the preference shares when due in 2032. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern for the next twelve months from the date of signing these financial statements. In reaching this conclusion Management considered the results from a number of scenario tests on the Group's forward-looking results and cash flow projections.

The Directors have considered a base case FY24 budget against 2 scenarios. These scenarios show that the Group would continue to meet its financial covenant and meet its liabilities as they fall due for the period ended 31 May 2024. One of the scenarios assumes flat revenue year on year growth and one shows a deterioration in working capital. Core EBITDA would need to fall to 70% of FY23 level (£35m) in order to breach bank covenants for the period ended 31 May 2024.

Accordingly, the Directors continue to adopt the going concern basis in preparing the strategic report, directors report and accounts.

**Revenue recognition**

Revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations contained in contracts with clients, including expenses and disbursements but excluding discounts and Value Added Tax.

Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal will not be required when the uncertainties determining the level of variable consideration are subsequently resolved. Revenue is recognised when or as the Group satisfies performance obligations by transferring control of services to clients. This occurs as follows for the Group's various contract types:

Time-and-materials contracts are recognised over time as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.

Fixed-fee contracts are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on the actual inputs of time and expenses relative to total expected inputs.

Contingent-fee contracts, over and above any agreed minimum fee, are recognised at the point in time that the contingent event occurs, and the Group has become entitled to the revenue.

Where contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on its stand-alone selling price. Where these are not directly observable, they are estimated based on expected cost-plus margin. Adjustments are made to allocate discounts proportionately relative to the stand-alone selling price of each performance obligation.

Estimates of revenues, costs, or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the statement of profit or loss in the period in which the circumstances that give rise to the revision become known.

For time-and-materials, fixed-fee and licence-fee contracts, fees are usually billed on account based on a payment schedule.

**Goodwill**

The acquisition method of accounting is used to account for business combinations. Goodwill arises on acquisitions and business combinations where the fair value of the consideration given exceeds the fair value of the separately identified assets and liabilities transferred. Associated costs are written off as incurred. Goodwill is capitalised as an intangible asset with an indefinite life, with any impairment in carrying value being charged to the consolidated statement of comprehensive income.

The recoverable amount of the Cash Generating Unit (CGU) has been determined based on value in use (VIU) calculations. The Group is satisfied that no further impairment provision was required against the carrying value of the Group's goodwill.

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The use of the VIU method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. The future cash flows used in the VIU calculation are based on financial budgets approved by Management, based on prior year profit experience, and applied to the five-year period to May 2028, followed by a terminal value with the May 2028 annual cash flows extrapolated into perpetuity at a long-term growth rate. We have assumed a long-term growth rate of approximately 2.0%. The discounted rates used in the VIU calculation are based on a post-tax estimated weighted average cost of capital and separate rates have been selected for UK, 10.38% and ROI, 9.75%.

**Other intangible assets****Client Relationships**

Client Relationships acquired by the Group as part of a business combination are stated at cost less accumulated amortisation and impairment losses (see previous note on Goodwill for method of calculating impairment losses). Cost reflects Management's judgement of the fair value of the individual intangible asset calculated by reference to the net present value of future benefit accruing to the Group from the utilisation of the asset discounted at the appropriate discount rate.

Client relationships are amortised over a period of 8 to 10 years based on the directors' estimate of useful life.

**Brand Value / Trade Name**

The firms acquired have retained their respective trading name due to the value of the brand in their specific marketplace. Group also recognised Xeinadin brand as the strategic plan in place to transition of all member firm brands to the overarching Xeinadin brand. These are stated at cost less accumulated amortisation and impairment losses. Cost for each acquisition is calculated in a similar manner to client relationships and reflects Management's judgement on the fair value of the assets.

Member firm brands are amortised over 3 to 5 years and the Xeinadin brand is amortised over 15 years based on the directors' estimate of useful life.

**Property, plant, and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

|                        |                              |
|------------------------|------------------------------|
| Right of use assets    | - over the life of the lease |
| Fixtures and fittings  | - 3 to 8 years               |
| Computers              | - 3 to 8 years               |
| Leasehold improvements | - over the life of the lease |

**Financial instruments****i) Financial assets**

Financial assets that meet the criteria required under IFRS9 to be held at amortised cost (being held for collection and passing the test of comprising solely payments of principal and interest) include trade and other receivables and cash and bank balances. These are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method. Financial assets measured at amortised cost include cash, trade debtors and other debtors.

Impairment provisions for trade receivables are assessed for impairment based on the simplified approach within IFRS9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivable is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision. Details on credit loss calculations are included at note 14.

For other receivables, at the end of each reporting period financial assets measured at amortised cost are assessed for impairment based on the general impairment model within IFRS9. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**ii) Financial liabilities**

Financial liabilities recognised at amortised cost as required under IFRS9 include trade and other payables, overdraft and bank and other loans, and are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities measured at amortised cost include overdrafts, trade payables, other payables and accruals. It does not include other taxes and social security payable or contract liabilities.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

**Exceptional items**

Exceptional items are defined as items of income and expenditure which are non-recurring and unrelated to the ongoing operating performance of the business. Therefore, Management has assessed that these items should be reported separately to avoid distorting profitability for users of the financial statements if not split out from underlying trade. They are of such significance that they require separate disclosure on the face of the income statement to reflect performance in a consistent manner and in line with how the business is managed and measured on a day-to-day basis thus, enabling users of the financial statements to better understand Group's underlying business performance.

**Taxation**

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates and laws enacted or substantively enacted by the statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination.

**Foreign currencies**

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result. Transactions in currencies other than the functional currency of each operation are recorded at the rates of exchange prevailing on the dates of the transactions. At the date of each statement of financial position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the date of the statement of financial position. Gains and losses arising on retranslation are included in the consolidated income statement for the period.

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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On consolidation, the assets and liabilities of the Group's overseas operations are translated from their functional currencies at exchange rates prevailing at the date of the statement of financial position. Income and expense items are translated from their functional currencies at the average exchange rates for the period, which are materially consistent with the spot rates observed in the period of those entities. Exchange differences arising are recognised directly in equity and transferred to the Group's foreign currency translation reserve via the other comprehensive income statement. If an overseas operation is disposed of the cumulative translation differences are recognised as realised income or an expense in the period disposal occurs.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

**Leases**

The Group assesses whether a contract is a lease at the inception of the contract. The Group recognises a right of use asset and a lease liability for all lease arrangements except for short term leases and leases of low value assets. For short term and low value leases the Group recognises the expense on a straight-line basis over the term of the lease.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term (excluding any adjustments related to any inflation index) with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove, restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of an interest charge at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straight-line basis over the remaining term of the lease. When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lease extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the remaining payments to be made over the revised term and reviews the discount rate applied to ensure it is still appropriate and will adjust if applicable. An equivalent adjustment is made to carrying value of the right to use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

**Employee benefit costs**

The Group operates a number of defined contribution pension schemes. Contributions payable to the Group's pension schemes are charged to the income statement in the period to which they relate.

**Trade and other receivables**

Trade and other receivables where payment is due within one year do not constitute a financing transaction and are recorded at the undiscovered amount expected to be received, less attributable transaction costs. Any subsequent impairment is recognised as an expense in the statement of profit or loss.

If payment is due after more than one year or if there is any other indication of a financing transaction, trade and other receivables are recorded initially at fair value less attributable transaction costs. In this situation, fair value is equal to the amount expected to be received, discounted at a market-related interest rate. All trade and other receivables are subsequently measured at amortised cost, net of impairment.

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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The Group always recognises lifetime ECL (expected credit losses) for trade receivables and contract assets, which are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

The Group writes off a receivable when there is information indicating that the debtor is in severe difficulty and there is no realistic prospect of recovery. Financial assets written off are still subject to enforcement activities. Any recoveries made are recognised in the statement of profit or loss.

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate.

Dilapidations provisions relate to the estimated cost to put leased premises back to the required condition expected under the terms of the lease. These include provisions for required dilapidations along with provisions where leasehold improvements have been made that would require reinstatement back to the original status on exit. These are uncertain in timing as leases may be terminated early or extended. To the extent that exits of premises are expected within 12 months of the end of the year they are shown as current.

Professional indemnity provisions relate to complaints against the Group that arise in the ordinary course of business. The amount provided is based on Management's best estimate of the likely liability and is recognised under IAS 37 gross of any insurance recovery assets.

**Derivative financial instruments**

The Group has entered into interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each balance sheet date. The Group has not adopted the hedge accounting for this instrument and therefore all the movement in fair values are recognised in profit or loss for the period.

**Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the application of the Group's accounting policies, Management is required to make judgment estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects the period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have significant effect on the amounts recognised in the financial statements are described below:

**a) Basis of Consolidation**

Details on the basis of consolidation and how directors developed the most appropriate accounting policy are outlined in the basis of consolidation within the accounting policy note 2.

As regards subsidiary companies, an assessment of control under IFRS 10 was undertaken. IFRS 10 explains that an investor controls an investee when it is exposed or has a right to variable returns from its involvement with the investee and has ability to direct those returns through its power over the investee.

In the case of the UK and Irish subsidiaries, control is assessed by Management as being prevalent based on:

- A 100% shareholding in the investee by the Xeinadin Topco 1 Limited (XT1L);
- The ability to achieve majority Board representation by XT1L as majority shareholder;
- The ability to direct dividend policy of the investee through the shareholding; and
- The ability by XT1L to direct the financial and operating performance of the investee through "step in" rights.

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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On 20 May 2022 the Group entered into a strategic partnership with the private equity firm Exponent who took a significant minority interest in the Group. The ultimate parent company of the Group is Xeinadin Member GP Limited. Management have, in formulating an assessment of the business combination (note 11) for the acquisition of Xeinadin Group Limited, assessed the balance sheet acquisition date to be the balance sheet date of 31 May 2022 (rather than 20 May 2022, the acquisition date). In making this judgement, Management have given regard to:

- The availability of reliable information with which to determine an acquisition balance sheet mid-month; and
- The immateriality of fair value movements occurring between the year-end date of 31 May 2022 and the acquisition date of 20 May 2022.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities and other components of equity, while any resulting gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

**b) Impairment of Goodwill**

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment, as an indefinite life asset. It does this by using a two-stage approach:

- Allocating the carrying value of intangible assets excluding goodwill to individual cash generating units (CGU) and then comparing the carrying value of each CGU with its recoverable amount.
- By testing the Group of CGUs including the total carrying value of all intangible assets including goodwill and also recognising any impairment (See note 10 for further details).

In the opinion of Management, the level at which goodwill is monitored, together with the lowest identifiable operating segment is identified as the hubs which operated in distinct geographies and operated independently to one another with their own separate Management team and structure.

Goodwill arising on business combinations is not amortised. It is stated at cost less impairment value. Following the completion of the hub structure during the period ended 31 May 2023, Management have assessed that the identified CGUs of the Group are individual hub. Goodwill on acquisition is allocated to these individual hubs and tested for impairment annually Note 10 of the financial statements sets out how the directors decided that it would not be possible to allocate Goodwill on a non-arbitrary basis to individual CGU and therefore a two-stage approach to calculating potential impairment was followed. It also sets out the various other key assumptions in preparing this impairment review.

Cashflow forecasts for value in use calculations are derived from a bottom-up budgeting approach which take into account a combination of internal and external factors based on past experience. However, expected cashflows can be materially uncertain and liable to change over time.

**c) Revenue Recognition**

In determining the amount of revenue to recognise in relation to contract assets/liabilities Management are required to use judgement and estimates for the measurement of this income in accordance with IFRS15. Details of these assets/liabilities are included at Note 3 of the financial statements. The valuation is based on an estimate of the amount to be recovered/due from/to clients for unbilled items based on time spent, the expertise and skills provided and the stage of completion plus payment on account. The principal uncertainty over this estimation is around the amounts yet to be billed or recognised by the client. The level of uncertainty is reduced by the nature of Group income being almost all recurring income where the client will have an annual invoice and also that contingency billing is not a material item for the Group.

**d) Impairment of Trade Receivables and Contract Assets**

The Group makes an estimate of the recoverable value of trade receivables and contract assets. The carrying amount of trade receivables is held at selling price less lifetime estimated credit losses (ECLs). ECLs have been estimated based on historic credit losses adjusted where appropriate for the inclusion of Management judgement to account for any forward-looking information for specific clients.

Full details on Trade Receivables and Contract Assets are set out in Note 14.



**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****2. ACCOUNTING POLICIES - continued**

e) Valuation of Acquired Intangible Assets in a business combination.

At 31 May 2023, the cost of intangible assets acquired under the fair view exercise performed by Management's valuation expert, was £392.6m (£304.7m goodwill and £87.9m of other intangibles). The Group's intangible assets are initially measured at fair value in accordance with IFRS3. During the period to 31 May 2023, the Group made 11 acquisitions, details of which are in Note 11.

In estimating the fair value of the intangible assets, the Group engaged an external valuation specialist who prepared a valuation as at 31 May 2023 of client relationships, brands/trade name and goodwill arising on the business combination.

In conducting this valuation exercise, certain key assumptions were used regarding brand royalty rates and lives, customer attrition rates, and the rate used to discount the deferred consideration arising from the acquisitions. Brand Assets were valued using a relief from royalty method and customer relations using a multi-excess earnings method.

The key assumptions to the model and an assessment of the sensitivity within the model are as follows:

| <b>Assumption</b>                               | <b>+ change</b>         | <b>- change</b>           | <b>+ impact on valuation</b>                                                  | <b>- impact on valuation</b>                                                  |
|-------------------------------------------------|-------------------------|---------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Allocation of member firm into 4 different tier | 10 firms move up a tier | 10 firms move down a tier | Brand will increase by £0.6m and customer relationship will decrease by £1.7m | Brand will decrease by £1.1m and customer relationship will increase by £3.9m |
| Change in attrition rate                        | + 2.5%                  | - 2.5%                    | Intangible value reduced by £8m                                               | Intangible values increase by £10.1m                                          |
| Change in discount rate                         | + 0.5%                  | - 0.5%                    | Intangible value reduced by £1.2m                                             | Intangible values increase by £1.3m                                           |
| Customer relationship useful economic life      | + 1 year                | - 1 year                  | Decrease amortisation charge for the year by £0.9m                            | Increase amortisation charge for the year by £0.9m                            |
| Brand useful economic life                      | + 1 year                | - 1 year                  | Decrease amortisation charge for the year by £0.2m                            | Increase amortisation charge for the year by £0.2m                            |

Management considers that, notwithstanding the sensitivities, the assumptions utilised are reasonable and represent the best possible of the valuation of the acquired entities based on available data.

## XEINADIN TOPCO 1 LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**3. REVENUE****Geographical analysis of turnover**

|                | 509 day period<br>ended 31 May 2023 |
|----------------|-------------------------------------|
| United Kingdom | 105,795                             |
| Ireland        | 24,500                              |
| Rest of Europe | 901                                 |
| Rest of World  | 454                                 |
|                | <u><u>131,650</u></u>               |

**Revenue from contracts with customers**

The Group's turnover of £131.7m consists entirely of contract revenue from clients. No single customer represents more than 10% of revenue.

**Practical expedients under IFRS 15**

Under IFRS 15 companies are required to disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the accounting period.

For the vast majority of the revenue contracts in issuance the Group has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the business performance completed to date. Therefore, the Group considers it is impractical to estimate the potential value of unsatisfied performance obligations and has elected to apply the practical expedient available under IFRS 15. The Group also has no material long term, fixed price contracts that exceed a year in length.

**Contract balances**

|                                                       |                      |
|-------------------------------------------------------|----------------------|
| Receivables included in "Trade and other receivables" | <u><u>24,101</u></u> |
|-------------------------------------------------------|----------------------|

**Contract assets****Current**

|                 |                      |
|-----------------|----------------------|
| Contract assets | <u><u>15,183</u></u> |
|-----------------|----------------------|

**Contract liabilities****Current**

|                      |                     |
|----------------------|---------------------|
| Contract liabilities | <u><u>2,840</u></u> |
|----------------------|---------------------|

**Contract assets**

Contract assets, which are stated net of expected credit losses, relate to the unbilled work of the subsidiary companies at the balance sheet date. It is expected that the majority of the net value will be billed within the first two months of the 2024 financial year.

**Contract liabilities**

Contract liabilities outstanding at the balance sheet date relate to the income received in advance by the subsidiary companies and it is expected that the income will be recognised as revenue during the first twelve months of the next financial year.

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****4. OTHER OPERATING INCOME**

Other operating income includes the following items:

|                 | 509 day period<br>ended 31 May 2023<br>£000 |
|-----------------|---------------------------------------------|
| Grants received | 17                                          |
| Rent received   | 183                                         |
| Sundry income   | 362                                         |
|                 | <hr/> 562 <hr/>                             |

**5. EMPLOYEES AND DIRECTORS**

|                       | GROUP<br>509 day period<br>ended 31 May 2023<br>£000 |
|-----------------------|------------------------------------------------------|
| Wages and salaries    | 65,363                                               |
| Social security costs | 6,241                                                |
| Other pension costs   | 2,764                                                |
|                       | <hr/> 74,368 <hr/>                                   |

The average number of employees during the period was as follows:

|                      | GROUP<br>509 day period<br>ended 31 May 2023 |
|----------------------|----------------------------------------------|
| Directors            | 7                                            |
| Advisory and support | 1,447                                        |
|                      | <hr/> 1,454 <hr/>                            |

|           | GROUP<br>509 day period<br>ended 31 May 2023<br>£000 |
|-----------|------------------------------------------------------|
| Directors | 875                                                  |
|           | <hr/> 875 <hr/>                                      |

Directors' remuneration for the Group includes the total amount payable to the Directors of the parent company from all companies within the Group. The amount paid to the highest paid director was £250k. Remuneration in the period for the Group's Key Management Personnel amounted to £875k and for the company, £Nil.

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****6. OPERATING PROFIT**

Operating loss is stated after charging/(crediting):

|                                                                                                   | <b>509 day period<br/>ended 31 May 2023</b> |
|---------------------------------------------------------------------------------------------------|---------------------------------------------|
|                                                                                                   | <b>£000</b>                                 |
| Depreciation - owned assets                                                                       | 1,041                                       |
| Depreciation – right of use assets                                                                | 2,344                                       |
| Brand amortisation                                                                                | 1,390                                       |
| Investment impairment                                                                             | -                                           |
| Customer relationships amortisation                                                               | 9,268                                       |
|                                                                                                   | <b>14,043</b>                               |
| <br>Fees payable to the Group's external auditor for the annual audit of the financial statements | <br>718                                     |
| Fees payable to other auditors in respect of audits of accounts of Irish subsidiaries             | 15                                          |
| Fees payable to the Group's auditor for the advisory work                                         | 20                                          |
| Transaction and transformation costs                                                              | 17,821                                      |

Transaction costs are consultancy, advisory and legal fees relating to the sale of the minority interest investment by Exponent. Transformation cost relating to reorganisation of the Group as referred to in the strategic report, including substantial investment in a common IT platform, creation of Hub structures and development of a group-wide HR platform. Group

**7. NET FINANCE COSTS**

|                               | <b>509 day period<br/>ended 31 May 2023</b> |
|-------------------------------|---------------------------------------------|
|                               | <b>£000</b>                                 |
| Finance income:               |                                             |
| Deposit account interest      | 13                                          |
| <br>Finance costs:            |                                             |
| Bank interest                 | 17                                          |
| Interest on bank loans        | 8,989                                       |
| Interest on preference shares | 33,073                                      |
| Interest on loan notes        | 3,529                                       |
| Leasing                       | 397                                         |
| Unwinding of discount         | 995                                         |
| Loan amortisation cost        | 958                                         |
|                               | <b>47,958</b>                               |
| <br><b>Net finance cost</b>   | <br><b>47,945</b>                           |

## XEINADIN TOPCO 1 LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**8. TAX****Analysis of tax credit**

|                                                              | 509 day period<br>ended 31 May<br>2023<br>£000 |
|--------------------------------------------------------------|------------------------------------------------|
| Current tax:                                                 | £000                                           |
| Tax                                                          | 2,171                                          |
| Deferred tax                                                 | (2,536)                                        |
| Total tax credit in consolidated statement of profit or loss | <u>(365)</u>                                   |

**Factors affecting the tax credit**

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

|                                                                             | 509 day period<br>ended 31 May<br>2023<br>£000 |
|-----------------------------------------------------------------------------|------------------------------------------------|
| Loss before income tax                                                      | (40,087)                                       |
| Loss multiplied by the standard rate of corporation tax in the UK of 19.67% | (7,885)                                        |
| Effects of:                                                                 |                                                |
| Impact of difference between CT & DT rate                                   | (500)                                          |
| Expenses not deductible for tax purposes                                    | 9,446                                          |
| Income not deductible for tax purpose                                       | (783)                                          |
| Difference in taxation rates in overseas subsidiaries                       | (413)                                          |
| Impact of change in UK tax rate to enacted rate of 25%                      | 9                                              |
| Adjustments in respect of prior years                                       | (369)                                          |
| Others                                                                      | 30                                             |
| Transfer pricing adjustments                                                | 116                                            |
| Non-qualifying depreciation                                                 | (16)                                           |
| Tax credit                                                                  | <u>(365)</u>                                   |

## XEINADIN TOPCO 1 LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**9. GOODWILL**

| <b>Group</b>                             | <b>2023<br/>£,000</b> |
|------------------------------------------|-----------------------|
| Cost                                     |                       |
| As at 9th January 2022                   | -                     |
| Acquired through business combination    | 291,519               |
| Additions on acquisition of subsidiaries | 13,262                |
|                                          | <hr/>                 |
| As at 31 May 2023                        | <b>304,781</b>        |

As at 31 May 2023, the consolidated balance sheet included goodwill of £304.8 million and this is allocated to the Group's cash-generating units (CGU) that are expected to benefit from the synergies of the business combinations that gave rise to the goodwill. The carrying amount of the goodwill is allocated to significant groups of CGUs (any group of CGU is significant if allocated goodwill to that CGU is greater than 15% of the total goodwill) as follows;

| <b>CGUs or group of CGUs</b> | <b>Discount rate</b> | <b>2023<br/>£000</b> |
|------------------------------|----------------------|----------------------|
| Northwest                    | 10.38%               | 81,402               |
| South East                   | 10.38%               | 52,228               |
| Others                       | 9.75% & 10.38%       | 171,151              |
|                              |                      | <hr/>                |
|                              |                      | <b>304,781</b>       |

**Impairment testing**

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that goodwill may be impaired.

IAS 36 acknowledges that sometimes goodwill arising on business combinations cannot be allocated to individual cash generating units (CGUs) on a non-arbitrary basis. The effect of this is a two-stage test where;

- The carrying value of goodwill will not be allocated to the CGUs so at first stage the CGU will be tested for impairment excluding goodwill and any impairment loss recognised.
- The second stage involves testing the group of CGUs with the carrying value of goodwill included in that group of CGUs. The allocation of goodwill should reflect an allocation to CGUs, or group of CGUs, that reflects the group which will benefit from the goodwill. For impairment review purposes, the allocation should reflect the level at which Management monitor goodwill but should not exceed the size of the operating segment. Any impairment is then recognised. The level at which goodwill is allocated is at hub level. The directors are satisfied that this represents the lowest level at which the goodwill is monitored for internal Management purposes and is not larger than an operating segment.

The recoverable amount is based on the present value of expected future cash flows (value in use) which was determined to be higher than the carrying amount, so no impairment loss was recognised.

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****9. GOODWILL - continued****Key assumptions used**

The recoverable amounts of all the above CGUs have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period to 31 May 2028. Other major assumptions are as follows:

|                                       | <b>Northwest</b> | <b>South East</b> | <b>Others</b>                 |
|---------------------------------------|------------------|-------------------|-------------------------------|
| Discount rate                         | 10.38%           | 10.38%            | 9.75% (Ireland) & 10.38% (UK) |
| EBITDA Margin*                        | 30.0%            | 30.0%             | 30.0%                         |
| Compound Annual Growth Rate (CAGR) ** | 6.5%             | 6.5%              | 6.5%                          |

**Sensitivities**

The Group has conducted a sensitivity analysis on the impairment test of the CGU carrying value. The directors believe that any reasonable change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU, based on the ability of Management to perform cost saving actions in response to potential reduction in revenue that may occur in the short term.

If any one of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

|                                      | <b>Northwest</b>               | <b>South East</b>              | <b>Others</b>                                                     |
|--------------------------------------|--------------------------------|--------------------------------|-------------------------------------------------------------------|
| Discount rate                        | Increase from 10.38% to 11.68% | Increase from 10.38% to 10.98% | Increase from 10.38% to 12.38% (UK) and 9.75% to 11.75% (Ireland) |
| EBITDA Margin*                       | Decrease from 30% to 26%       | Decrease from 30% to 28.4%     | Decrease from 30% to 24.7%                                        |
| Compound Annual Growth Rate (CAGR)** | Decrease from 6.5% to 3.85%    | Decrease from 6.5% to 5.22%    | Decrease from 6.5% to 3.6%                                        |

\* Management's model assumes that the EBITDA margin will stay fixed at the FY24 budget level. Firms below 30.0% EBITDA margin in FY24 are assumed to reach 30.0% by FY28, with overall EBITDA margin across the Group increasing from 26.3% in FY24 to 29.9% by FY28..

\*\* Based on FY23 actuals, Management's model builds in budget performance for FY24 and a 4-year Compound Annual Growth Rate (hereafter "CAGR") for revenue of 6.5%. The average annual growth rate over 5 years is 6.5%. Assuming 3.3% average revenue growth over the next 5 years (i.e. halving the growth rates assumed), with no change to underlying margins, there would be enough headroom at each CGU level.

The values assigned to the key assumptions represent Management's estimate of expected future trends and are based on both external (industry experience, historic market performance and current estimates of risk associated with trading conditions) and internal sources (existing Management knowledge, track record and in-depth understanding of the work types being performed).

Increases in costs are based on current inflation rates and expected levels of recruitment needed to generate predicted revenue growth.

Attrition rates are based on the historic experience and trends of client activity over a three to five-year period and applied to future fee forecasts.

Cash flows have been typically assessed over a five-year period. After year 5, Management extrapolates using a terminal value calculation based on an estimated growth rate of 2%. This is based on long-term inflation expectations for the UK and Ireland.

The Group attributes a monetary value to the acquired goodwill based primarily on the anticipated future cash flows generated by the customers. Whilst the Group accounts for customer's attrition and direct costs are the main driver of this value and the estimated revenue is resulting from the Group's customers. Management have estimated a year-on-year growth rate which has been applied to the model.

## XEINADIN TOPCO 1 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023

## 10. OTHER INTANGIBLE ASSETS

Group

|                                       | Customer<br>relationships | Brands       | Totals        |
|---------------------------------------|---------------------------|--------------|---------------|
| <b>COST</b>                           | <b>£000</b>               | <b>£000</b>  | <b>£000</b>   |
| As at 9th January 2022                | -                         | -            | -             |
| Acquired through business combination | 78,525                    | 9,380        | 87,905        |
| Disposals                             | -                         | -            | -             |
| As at 31 May 2023                     | <u>78,525</u>             | <u>9,380</u> | <u>87,905</u> |
| <b>AMORTISATION</b>                   |                           |              |               |
| As at 9th January 2022                | -                         | -            | -             |
| Charge for the period                 | 9,265                     | 1,393        | 10,658        |
| Disposals                             | -                         | -            | -             |
| As at 31 May 2023                     | <u>9,265</u>              | <u>1,393</u> | <u>10,658</u> |
| <b>NET BOOK VALUE</b>                 |                           |              |               |
| As at 31 May 2023                     | <u>69,260</u>             | <u>7,987</u> | <u>77,247</u> |

## Client Relationships:

The majority of the client relationships were acquired as part of the business combination which occurred on 20 May 2022. This represents the value attributed to clients who provide repeat business to the Group on the strength of these relationships. Customer relationships are amortised on a straight-line basis over a 7–10-year period from 20 May 2022 which means one year has been amortised to date.

## Brand/Trade Names:

The majority of the brand/trade names were acquired as part of the business combination which occurred on 20 May 2022. Member firm brands/trade names are associated with factors such as a high-quality service and trusted advice. Brand/trade names are amortised on a straight-line basis over a 5–10-year period from 20 May 2023 which means one year has been amortised to date.

The Group had the following intangible assets that were individually material at the year-end date of 31 May 2022.

| <b>Asset – customer relationships</b> | <b>Net book value - £000</b> | <b>Remaining<br/>useful economic<br/>life</b> |
|---------------------------------------|------------------------------|-----------------------------------------------|
| Cobham Murphy                         | 2,744                        | 7                                             |
| Phillip Carroll Ltd                   | 2,962                        | 7                                             |



**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****11. BUSINESS COMBINATIONS**

During the period ended 31 May 2023 the Group made 11 acquisitions (the acquisitions). These were acquisitions of shares or trade and assets that were purchased by wholly owned subsidiaries of the company. In each case, control was acquired by the Group and as such these are accounted for as Business Combinations under IFRS3. The principal reason for these acquisition was to enhance national UK and ROI footprint, add high profit margin books of work to the business with established Management teams

- On 20 May 2022, Xeinadin Bidco Limited purchased 100% of the share capital of Xeinadin Group Limited (XGL)
- On 24 May 2022, Xeinadin Group Limited purchased 100% of the share capital of Bostockwhite Limited (Bw).
- On 27 May 2022, Xeinadin Group Limited purchased 100% of the share capital of Kenneth Easby Limited (KE).
- On 31 May 2022, Xeinadin Group Limited purchased 100% of the share capital of PWR Accountants Limited (PWR).
- On 31 May 2022, Smith Craven (Yorkshire) Limited purchased certain net assets of Smith Craven partnership (SC).
- On 29 July 2022, Peter Howard & Co (Wetherby) Limited purchased 100% of the share capital of Peter Howard Foreman Limited and certain net assets of Peter Howard & Co LLP (PH).
- On 4 October 2022, Xeinadin Group Limited purchased 100% of the share capital of Graham Paul Limited (GP).
- On 12 October 2022, Xeinadin Corporate Recovery Limited purchased certain net assets of Churchill Corporate Solutions LLP (CC).
- On 1 December 2022, Xeinadin Group Limited purchased 100% of the share capital of Clear Vision Financial Management Limited (CV).
- On 31 January 2023, Xeinadin Group Limited purchased 100% of the share capital of About Tax Limited (AT).
- On 5 April 2023, Xeinadin Group Limited purchased 100% of the share capital of WoodWhite Accountants Limited (WW)

Being the first accounting period for the Group, the aggregate revenues and operating profit before exceptional costs with respect to these acquisitions represents the Group results and this is shown on the face of consolidated income statement on page 14. If the acquisitions had taken place at the beginning of the period, this would have added £55.1m of revenue and £9.0m of operating profit before tax and interest to the Group results.

A purchase price allocation exercise has been completed which identified £87.2m of acquired intangible assets. The value of customer relationships acquired is £77.9m and they will be amortised over 8 to 10 years. The value of brands acquired is £9.4m and they will be amortised over 3 to 15 years. £304.7m of goodwill has arisen on acquisition and is primarily attributable to synergies, new customers, the acquired workforce, and business expertise.

The fair values of the identifiable assets and liabilities of the acquired entities, at the date of acquisition, were:

## XEINADIN TOPCO 1 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023

## 11. BUSINESS COMBINATIONS - continued

|                                                                                             | XGL            | BW           | KE           | PWR          | SC           | PH & PHF     | GP           | *Immaterial acquisitions | WW           | Total          |
|---------------------------------------------------------------------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------|--------------|----------------|
|                                                                                             | £000           | £000         | £000         | £000         | £000         | £000         | £000         | £000                     | £000         | £000           |
| Right of use assets                                                                         | 7,975          | 278          | 65           | 99           | 312          | 71           | 160          | 76                       | 229          | 9,265          |
| Plant and equipment                                                                         | 1,325          | 13           | 31           | 7            | 85           | 40           | 4            | 12                       | 48           | 1,565          |
| Brand                                                                                       | 8,410          | 100          | 350          | 50           | 400          | 10           | 20           | 20                       | 20           | 9,380          |
| Customer relationships                                                                      | 70,350         | 1,250        | 1,700        | 650          | 2,150        | 625          | 400          | 400                      | 1,000        | 78,525         |
| Trade receivables                                                                           | 21,160         | 262          | 456          | 176          | -            | 46           | 412          | 56                       | 147          | 22,715         |
| Prepayments and accrued income                                                              | 2,894          | 55           | 383          | 44           | 44           | 36           | 142          | 77                       | 723          | 4,398          |
| Contract assets                                                                             | 11,902         | 81           | 291          | 193          | 236          | 92           | 128          | 352                      | 100          | 13,375         |
| Cash and cash equivalents                                                                   | 23,453         | 577          | 1,590        | 451          | -            | 941          | 530          | 267                      | 138          | 27,947         |
| <b>TOTAL ASSETS</b>                                                                         | <b>147,469</b> | <b>2,616</b> | <b>4,866</b> | <b>1,670</b> | <b>3,227</b> | <b>1,861</b> | <b>1,796</b> | <b>1,260</b>             | <b>2,405</b> | <b>167,170</b> |
| Trade payables                                                                              | 7,493          | 27           | 70           | 47           | -            | -            | 156          | 11                       | 27           | 7,831          |
| Accruals and other payables                                                                 | 16,776         | 44           | 18           | -            | 63           | 26           | 150          | 26                       | 52           | 17,155         |
| Contract liabilities                                                                        | 2,670          | -            | -            | -            | -            | -            | 44           | 108                      | 361          | 3,183          |
| Right of use liabilities                                                                    | 8,488          | 278          | 65           | 99           | 312          | 71           | 139          | 76                       | 226          | 9,754          |
| Taxation                                                                                    | 1,735          | 241          | 419          | 206          | -            | 45           | 42           | 105                      | 97           | 2,890          |
| Other creditors                                                                             | 6,852          | -            | 7            | 20           | -            | -            | 84           | 53                       | 87           | 7,103          |
| Deferred tax arising on acquisition (due to fair value of brand and customer relationships) | 19,811         | 328          | 500          | 170          | 622          | 155          | 103          | 101                      | 254          | 22,044         |
| <b>TOTAL LIABILITIES</b>                                                                    | <b>63,825</b>  | <b>918</b>   | <b>1,079</b> | <b>542</b>   | <b>997</b>   | <b>297</b>   | <b>718</b>   | <b>480</b>               | <b>1,104</b> | <b>69,960</b>  |
| <b>TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE</b>                                          | <b>83,644</b>  | <b>1,698</b> | <b>3,787</b> | <b>1,128</b> | <b>2,230</b> | <b>1,564</b> | <b>1,078</b> | <b>780</b>               | <b>1,301</b> | <b>97,210</b>  |
| Goodwill arising on acquisition                                                             | 291,519        | 2,172        | 2,367        | 1,091        | 3,345        | 845          | 600          | 858                      | 1,984        | 304,781        |
| <b>TOTAL CONSIDERATION</b>                                                                  | <b>375,163</b> | <b>3,870</b> | <b>6,154</b> | <b>2,219</b> | <b>5,575</b> | <b>2,409</b> | <b>1,678</b> | <b>1,638</b>             | <b>3,285</b> | <b>401,991</b> |

\* This relates to 3 acquisitions (CC, AT and CV) made in the year which have been aggregated together as they are individually not material.

## XEINADIN TOPCO 1 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023

## 11. BUSINESS COMBINATIONS - continued

None of the goodwill is expected to be deductible for tax purposes.

The fair value of the trade receivables amounts to £24.1m. The gross amount of trade receivables is £25.0m and it is expected that full contractual amounts can be collected except for £0.9m, which is provided for.

## Purchase consideration

The fair values of the total consideration transferred, at the date of acquisition, were:

|                                         | XGL            | BW           | KE           | PWR          | SC           | PH & PHF     | GP           | Immaterial<br>acquisitions | WW           | Total          |
|-----------------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------------------|--------------|----------------|
|                                         | £000           | £000         | £000         | £000         | £000         | £000         | £000         | £000                       | £000         | £000           |
| Amount settled in cash                  | 195,528        | 2,413        | 3,889        | 1,370        | 2,976        | 1,727        | 900          | 1,113                      | 2,225        | 212,141        |
| Contingent cash consideration           | -              | 1,457        | 1,954        | 849          | 2,599        | 682          | 778          | 525                        | 1,060        | 9,904          |
| Loan                                    | -              | -            | 311          | -            | -            | -            | -            | -                          | -            | 311            |
| Preference & Ordinary shares issued     | 179,635        | -            | -            | -            | -            | -            | -            | -                          | -            | 179,635        |
| Fair value of consideration transferred | <b>375,163</b> | <b>3,870</b> | <b>6,154</b> | <b>2,219</b> | <b>5,575</b> | <b>2,409</b> | <b>1,678</b> | <b>1,638</b>               | <b>3,285</b> | <b>401,991</b> |

Amount settled in cash on the purchase of XGL includes completion money (£187.2m), additional consideration (£5.9m) on 1 July 2022 and final consideration (£2.4m) on 30 September 2022.

Amount settled in cash for the other business consideration includes payments for working capital acquired and payments are due in accordance with purchase agreements. Contingent consideration is deferred payments that are due on the first and second anniversary of the completion date of each acquisition. The gross value of these payments is £3.8m and this has been reduced to recognize a probability weighted adjustment for amounts that may not be payable and the impact of discounting.

Deferred payments will be reduced by "clawback" to the extent that target revenue or EBITDA is not achieved in the first- and second-year post-acquisition. The minimum value of contingent consideration payable for each acquisition is £Nil. However, the most probable payment amount is £34.6m, a reduction of £2.2m. The range of outcomes (undiscounted) is shown below.

|                                       | XGL    | BW    | KE    | PWR   | SC    | PH & PHF | GP   | Immaterial<br>acquisitions | WW    | Total  |
|---------------------------------------|--------|-------|-------|-------|-------|----------|------|----------------------------|-------|--------|
|                                       | £000   | £000  | £000  | £000  | £000  | £000     | £000 | £000                       | £000  | £000   |
| Minimum contingent cash consideration | -      | -     | -     | -     | -     | -        | -    | -                          | -     | -      |
| Maximum contingent cash consideration | 24,736 | 1,750 | 2,301 | 1,033 | 3,079 | 809      | 950  | 735                        | 1,479 | 36,872 |

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****11. BUSINESS COMBINATIONS - continued**

The contingent consideration is reduced by £1.8m for the impact of discounting future expected cashflows using a weighted average cost of capital of 11.5-13.5%.

**Acquisition costs**

Acquisition-related costs amounting to £8.9m have been included within other operating expenses as exceptional items.

**12. INVESTMENTS**

| <b>GROUP</b>          | <b>Interest in<br/>associates<br/>£000</b> |
|-----------------------|--------------------------------------------|
| <b>COST</b>           |                                            |
| At 7 January 2022     | -                                          |
| Share of profit       | 31                                         |
| <b>At 31 May 2023</b> | <b>31</b>                                  |
| <b>PROVISIONS</b>     |                                            |
| Provision for period  | -                                          |
| <b>At 31 May 2023</b> | <b>-</b>                                   |
| <b>NET BOOK VALUE</b> |                                            |
| <b>At 31 May 2023</b> | <b>31</b>                                  |

**Interest in associate**

The associated companies for the Group are, Xeinadin Audit Limited and Xeinadin Probate Services Limited, which provide audit and probate related services to clients of the Group.

The Group's share of the assets, liabilities and profit of associates is as follows:

|                                  |             |
|----------------------------------|-------------|
| <b>Interest in associates</b>    | <b>2023</b> |
|                                  | <b>£000</b> |
| Share of gross assets            | 3,016       |
| Share of non-current liabilities | -           |
| Share of current liabilities     | (2,969)     |
| Share of net assets              | 47          |
| Revenue                          | 10,256      |
| Cost of sales                    | (9,723)     |
| Administrative expenses          | (465)       |
| Profit before Income tax         | 68          |

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****12. INVESTMENTS – continued****COMPANY**

|                       | Shares in<br>Group<br>undertakings<br>£000 |
|-----------------------|--------------------------------------------|
| At 7 January 2022     | -                                          |
| Additions             | 124,156                                    |
| <b>At 31 May 2023</b> | <b>124,156</b>                             |

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**United Kingdom Subsidiaries (excluding dormant entities)****A B G Accountancy 2018 Ltd (11238661)**

The Quadrant Centre, Limes Road, Weybridge, Surrey, England, KT13 8DH

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**About Tax Limited (11537961)**

Suite 3c Blackthorn House, Skull House Lane, Appley Bridge, England, WN6 9DB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Accountax 2018 Ltd (11239739)**

Mulberry Lodge, Ladygate Drive, Grayshott, Hindhead, England, GU26 6DR

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Accounting & Taxation Centre LTD Ltd (11453185)**

36 Queens Road, Newbury, England, RG14 7NE

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Anthistle Craven IRX Ltd (11415046)**

Moreton House, 31 High Street, Buckingham, Buckinghamshire, England, MK18 1NU

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**ARA (Bristol) Ltd (11420396)**

86 Shirehampton Road, Stoke Bishop, Bristol, England, BS9 2DR

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Arithma Accountants Ltd (11848732)**

9 Mansfield Street, London, England, W1G 9NY

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Arlington Accountants Ltd (11833978)**

C/O Arlington Accountants, Unit C Anchor House, School Lane, Chandler's Ford, Eastleigh, England, SO53 4DY

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**ASC Wylie UBU Ltd (NI652973)**

7 Lisburn Street, Hillsborough, Co. Down, Northern Ireland, BT26 6AB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**BarTax Accountants WFC Ltd (11295502)**

2 Rose Bank, Bollington, Cheshire, England, SK10 5JA

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Bespoke Accounting 2018 Ltd (11903588)**

2-4 Ash Lane Rustington, Littlehampton, West Sussex, England, BN16 3BZ

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Bostockwhite Limited (05839745)**

Cabourn House, Station Street, Bingham, Nottinghamshire, NG13 8AQ

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Bowker Orford Ltd (11644565)**

15/19 Cavendish Place, London, England, W1G 0DD

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**BRC Accountants PKL Ltd (11318648)**

Suite 2 Healey House, Dean Road, Andover, Hampshire, United Kingdom, SP10 2AA

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Bushells Accountants 2018 Ltd (11240948)**

6 Victoria Avenue, Harrogate, Yorkshire, England, HG1 1ED

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Calcutt Matthews WBZ Ltd (11375532)**

19 North Street, Ashford, Kent, England, TN24 8LF

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Centurion VAT Specialists ALL Ltd (11847751)**

Celtic House, Caxton Place, Cardiff, Wales, CF23 8HA

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Chhaya Hare Wilson CML Ltd (11267657)**

26 High Street, Rickmansworth, Hertfordshire, England, WD3 1ER

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Clear Vision Financial Management (07808926)**

3 Victoria Place, Love Lane, Romsey, England, SO51 8DE

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**CMS Accountants 2020 Ltd (11884345)**

61a Bryn Street, Ashton-in-Makerfield, Wigan, England, WN4 9AX

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Cobham Murphy PHD Ltd (11905373)**

116 Duke Street, Liverpool, Merseyside, England, L1 5JW

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**David Jones & Co 2018 Ltd (11239617)**

The Centre, Reading Road, Eversley Centre, Hampshire, England, RG27 0NB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**Davies McLennon Ltd (11419828)**

93 Wellington Road North, Stockport, Cheshire, England, SK4 2LR

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**DJM Accountants BLJ Ltd (11266150)**

26 High Street, Rickmansworth, Hertfordshire, England, WD3 1ER

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Egan Roberts Ltd (11410949)**

Unit 46 Manor Court, Salesbury Hall Road, Ribchester, Lancashire, England, PR3 3XR

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Elman Wall Ltd (11546262)**

8th Floor 36 Old Jewry, London, England, EC2R 8DD

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Fallows & Company CA Ltd (11266080)**

Archway House, 81-82 Portsmouth Road, Surbiton, Surrey, England, KT6 5PT

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**FD Professional Services Ltd (11831592)**

5b South Preston Office Village Cuerden Way, Bamber Bridge, Preston, England, PR5 6BL

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Fooks & Co 2018 Ltd (11238647)**

14 High Street, Bargoed, Caerphilly, Wales, CF81 8RA

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Foster Mann (UK) Limited (11833403)**

Unit 26g Springfield Commercial Centre, Bagley Lane, Farsley, Leeds, England, LS28 5LY

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**GCSD Accountants Ltd (11457078)**

701 Stonehouse Park Sperry Way, Stonehouse, Gloucestershire, England, GL10 3UT

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Graham Paul (02218664)**

Court House, Court Road, Bridgend, Mid Glamorgan, CF31 1BE

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**GW Jones & Co ICJ Ltd (11458079)**

Office 1, The Coach House 24-26 Station Road, Shirehampton, Bristol, England, BS11 9TX

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Hallidays Group Ltd (11380661)**

Riverside House Kings Reach Business Park, Yew Street, Stockport, Cheshire, England, SK4 2HD

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**Harvey Smith & Co DVQ Ltd (11356850)**

2 High Street, Burnham On Crouch, Essex, England, CM0 8AA

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Heylands Limited (11830385)**

The Old Grange Warren Estate, Lordship Road, Writtle, Essex, England, CM1 3WT

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Hills Jarrett TXS Ltd (11357076)**

G204 Weston House Allen House Business Centre, The Maltings, Station Road, Sawbridgeworth, England, CM21 9FP

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Hugh Davies & Co LIO Ltd (11295487)**

35 Chequers Court Brown Street, Salisbury, Wiltshire, England, SP1 2AS

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**JW Walsh Accountants 2018 Ltd (11241662)**

Albion House, 163-167 King Street, Dukinfield, Cheshire, England, SK16 4LF

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Kay Johnson Gee Ltd (11415125)**

1 City Road East, Manchester, England, M15 4PN

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Xeinadin Corporate Recovery Limited (formerly Kay Johnson Gee Corporate Recovery Ltd (11415156))**

1 City Road, Manchester, England, M15 4PN

Nature of business: Corporate recovery services

Proportion of voting rights, ordinary share capital held 100%

**Kenneth Easby Limited (07107469)**

Trinity House, Thurston Road, Northallerton, North Yorkshire, DL6 2NA

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Lee Accounting Services 2018 Ltd (11241654)**

26 High Street, Rickmansworth, Hertfordshire, England, WD3 1ER

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Lewis Ballard BBB Ltd (11845798)**

Celtic House Caxton Place, Pentwyn, Cardiff, United Kingdom, CF23 8HA

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Lucentum Business Services Ltd (11343916)**

Kingfisher House, 11 Hoffmanns Way, Chelmsford, Essex, England, CM1 1GU

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Marlow Proactive Ltd (11405556)**

14 Phoenix Park Telford Way, Coalville, Leicestershire, England, LE67 3HB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%



**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**McGregors CCP Ltd (11395000)**

12 Mansfield Office Suite 0.3, Hamilton Court, Mansfield, Nottinghamshire, England, NG18 5FB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**McLintocks (NW) Ltd (11836795)**

2 Hilliards Court, Chester Business Park, Chester, Cheshire, England, CH4 9PX

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**McManus Williams KGG Ltd (11404526)**

Suite 2 Bellevue Mansions, 18-22 Bellevue Road, Clevedon, Somerset, England, BS21 7NU

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Meranther Ltd (11319655)**

1 Strands Barn Strands Farm Lane, Hornby, Lancaster, Lancashire, England, LA2 8JF

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**MG Accountants SW Ltd (11846532)**

Watcombe Priors Lodge, Teignmouth Road, Torquay, England, TQ1 4SQ

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**MMP Accounting Solutions Ltd (11842982)**

42 Cudworth Road, Ashford, Kent, England, TN24 0BG

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Murray Associates ZKI Ltd (SC594767)**

Business First, Linwood Point, Paisley, Renfrewshire, Scotland, PA1 2FB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Newsham Hanson Accountants Ltd (11838807)**

Edinburgh House, 1-5 Bellevue Road, Clevedon, Somerset, England, BS21 7NP

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Nickalls Accountants Ltd (11834183)**

4 Bridge Street, Amble, Morpeth, Northumberland, England, NE65 0DR

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**O'Brien & Partners KVE Ltd (11453265)**

Highdale House, 7 Centre Court Main Avenue, Treforest Ind Est, Pontypridd, Wales, CF37 5YR

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Palason Ltd (11459439)**

72 Great Suffolk Street, London, England, SE1 0BL

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Paul & Co (Accountants) Ltd (11267804)**

8 Freetrade House, Lowther Road, Stanmore, Middlesex, England, HA7 1EP

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**Pelham Accountants 2019 Ltd (11906481)**

16 Dudley Street, Grimsby, Lincolnshire, England, DN31 2AB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Phillip Carroll Ltd (11404925)**

10 Ambassador Place Stockport Road, Altrincham, Cheshire, England, WA15 8DB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Peter Howard & Co (Wetherby) Limited (14081264)**

Address and rights attaching to share are as for Graham Paul Limited

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**PWR Accountants Limited (07211542)**

2 Beacon End Courtyard, London Road, Stanway, Colchester, Essex, CO3 0NU

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Riley Moss 2018 Ltd (11242309)**

Riley House, 183-185 North Road, Preston, Lancashire, England, PR1 1YQ

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**RJG Accountants AKH Ltd (11266144)**

10a East Street, Fareham, England, PO16 0BN

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Robinson Sterling SBU Ltd (11281848)**

616d Green Lane, Ilford, Essex, England, IG3 9SE

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Rohans MJF Ltd (11295452)**

Rohans House, 92-96 Wellington Road South, Stockport, Greater Manchester, England, SK1 3TJ

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Romsey Accountants GDT Ltd (11280977)**

Unit 3, Shelley Farm Shelley Lane, Ower, Romsey, Hampshire, England, SO51 6AS

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Scott & Wilkinson (Lancaster) Limited (11358224)**

Dalton House, 9 Dalton Square, Lancaster, England, LA1 1WD

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**See Beyond The Numbers Ltd (11506375)**

St Andrews House Yale Business Village, Ellice Way, Wrexham, Wales, LL13 7YL

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Smith Craven (Yorkshire) Limited (14082637)**

Sidings House, Sidings Court, Lakeside, Doncaster, South Yorkshire, United Kingdom, DN4 5NU

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**Stead Robinson HGA Ltd (11378203)**

Dipford House, Queens Square Huddersfield Road, Honley, Holmfirth, England, HD9 6QZ

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Stewart Gilmour & Co. Ltd (SC600202)**

24 Beresford Terrace, Ayr, Scotland, KA7 2EG

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Styles & Co JFC Ltd (11266079)**

Heather House 473 Warrington Road, Culcheth, Warrington, Cheshire, England, WA3 5QU

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**The Profit Key 2018 Ltd (11239127)**

10 Lower Church Street, Ashby De La Zouch, Leicestershire, England, LE65 1AB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**THP Glasgow Ltd (SC596861)**

82 Berkeley Street, Glasgow, Scotland, G3 7DS

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Tish Leibovitch Ltd (11266262)**

249 Cranbrook Road, Ilford, Essex, England, IG1 4TG

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Tish Press & Company KGE Ltd (11266092)**

Create Business Hub, Ground Floor, 5 Rayleigh Road, Brentwood, Essex, England, CM13 1AB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Tony Jacques YDD Ltd (11404789)**

Kingfisher House, 140 Nottingham Road, Long Eaton, Nottinghamshire, England, NG10 2EN

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**TSH Professional Services Ltd (11447478)**

89 High Street, Thame, Oxfordshire, England, OX9 3EH

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Tudor John Ltd (11410130)**

Nightingale House, 46/48 East Street, Epsom, Surrey, England, KT17 1HQ

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Weaver Wroot Ltd (11238991)**

Burlington House, 28 Dudley Street, Grimsby, Lincolnshire, England, DN31 2AB

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Williams Giles Professional Services Ltd (11411023)**

12 Conqueror Court, Sittingbourne, Kent, England, ME10 5BH

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Wilshers DEJ Ltd (11943231)**

10-11 Heathfield Terrace, London, England, W4 4JE

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**Woodwhite Accountants Limited (03674634)**

Unit 4 City Limits, Danehill, Reading, Berkshire, England, RG6 4UP

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Wren Professional Services Ltd (11832732)**

4 Cross Street, Beeston, Nottingham, Nottinghamshire, England, NG9 2NX

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Xebra Accounting IHC Ltd (11425351)**

5a The Gardens, Broadcut, Fareham, Hampshire, England, PO16 8SS

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Xeinadin UK Professional Services Limited (11358213)**

8th Floor Becket House, 36 Old Jewry, London, United Kingdom, EC2R 8DD

Nature of business: Holding company

Proportion of voting rights, ordinary share capital held 100%

**Xynamo 5 Ltd (11241219)**

2 Upperton Gardens, Eastbourne, East Sussex, England, BN21 2AH

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Xeinadin Group Limited (11354408)**

8th Floor Becket House, 36 Old Jewry, London, United Kingdom, EC2R 8DD

Nature of business: Holding company

Proportion of voting rights, ordinary share capital held 100%

**Xeinadin Bidco Limited (13834919)**

8th Floor Becket House, 36 Old Jewry, London, United Kingdom, EC2R 8DD

Nature of business: Holding company

Proportion of voting rights, ordinary share capital held 100%

**Xeinadin Holdco Limited (13834629)**

8th Floor Becket House, 36 Old Jewry, London, United Kingdom, EC2R 8DD

Nature of business: Holding company

Proportion of voting rights, ordinary share capital held 100%

**Xeinadin Midco 1 Limited (13834293)**

8th Floor Becket House, 36 Old Jewry, London, United Kingdom, EC2R 8DD

Nature of business: Holding company

Proportion of voting rights, ordinary share capital held 100%

**Republic of Ireland subsidiaries**

**BCC Accountants Ltd (634393)**

Dublin Road, Ashbourne, Co. Meath, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Camden Accounting Limited (644396)**

Colleran, 72 Northumberland Road, Dublin, Dublin 4, Ireland, D04 P2F8

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Cherdec Limited (515819)**

Unit G West Cork Technology Park, Clonakilty, Co. Cork, Ireland

Nature of business: Holding company

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**Coyne Accountancy Galway Limited (644083)**

The Halls, Quay Street, Galway, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Cregan Accounting Ltd (635910)**

Broadmeadow Hall, Applewood Village, Swords, Co. Dublin, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Crowley & McCarthy Accountancy Limited (645281)**

Unit G West Cork Technology Park, Clonakilty, Co. Cork, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Delog Ltd (461615)**

18 Vicar Street, Kilkenny

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**DFS & Co Accounting Limited (644576)**

Innovation House, Ballybrit Business Park, Ballybrit, Co. Galway, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Xeinadin Corporate Finance Limited (formerly DMN Accountants Ltd) (632599)**

Unit A4, Block A, Santry Business Park, Santry, Dublin 9, Ireland, D09 P2Y4

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**FCOS Financial Services Outsourcing Ltd (645722)**

Unit G West Cork Technology Park, Clonakilty, Co. Cork, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**JWM Accountants Ltd (634148)**

13 14 South Main Street, NAAS, Co. Kildare, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Ken Herbert & Co. Ltd (646278)**

Ivydene House, Dublin Street, Kildare Town, Co. Kildare, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Kinsella Mitchell and Associates Ltd (634587)**

Finance House, 46 Prussia Street, Dublin 7, Ireland, D07 VW0Y

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**LHB Accounting Limited (646066)**

Liam Burns & Co. 97 Malahide Road, Dublin 3

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Manus Brady Accountancy Services Ltd (641970)**

Block A, Cashel Business Centre, Cashel Road, Dublin 12, Ireland, D12 XY86

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**O'Brien Neenan & Co. Ltd (634733)**

St. Joseph's, Wilton, Bishopstown Road, Cork, Ireland, T12 E270

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**O'Donovan Lavin & Co (Limerick) Ltd (634906)**

1 Mount Kennett Place, Henry Street, Limerick. Ireland, V94 NP28

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**O'Kelly Sutton Limited (646025)**

Scarton House, Priory Court, Kildare, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**O'Mahony Donnelly Ltd (631328)**

10 McCurtain Hill, Clonakilty, Co. Cork, Ireland, P85 K230

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**RTW Accounting Services Ltd (634188)**

16 Woodstown Village Centre, Knocklyon, Dublin 16, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Somers Murphy & Earl Business Advisory Services Ltd (646424)**

46 Upper Mount Street, Dublin, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Tynan Dillon Advisers Ltd (633578)**

74 Northumberland Road, Dublin 4, Ireland

Nature of business: Professional services

Proportion of voting rights, ordinary share capital held 100%

**Xeinadin Professional Services (Ireland) Limited (634349)**

Building G West Cork Technology Park, Null, Clonakilty, Cork, Ireland, P85VF62

Nature of business: Holding company

Proportion of voting rights, ordinary share capital held 100%

**Dormant entities**

**AFT Professional Services Ltd (12017660)**

Mulberry Lodge Ladygate Drive, Grayshott, Hindhead, United Kingdom, GU26 6DR

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**ATC Accounting Ltd (12020399)**

36 Queens Road, Newbury, Berkshire, United Kingdom, RG14 7NE

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Anthistle Craven Business Development Limited (12017481)**

31 High Street, Buckingham, Bucks, England, MK18 1NU

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Adams Root Accountancy Limited (12021185)**

86 Shirehampton Road, Stoke Bishop, Bristol, England, BS9 2DR

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****12. INVESTMENTS – continued****Aldwych 123 Limited (12017878)**

Suite 2 Healey House, Dene Road, Andover, Hampshire, United Kingdom, SP10 2AA

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Blue Bike Consultants Limited (12023464)**

The Quadrant Centre, Limes Road, Weybridge, Surrey, United Kingdom, KT13 8DH

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Bridgend Business Services Limited (02801922)**

Address and rights attaching to share are as for Graham Paul Limited

Nature of business: Dormant company

**Bartax Consultants Ltd (12031545)**

2 Rose Bank, Bolington, Cheshire, United Kingdom, SK10 5JA

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Bespoke Outsourced Bookkeeping Services Ltd (12001545)**

2-4 Ash Lane Rustington, Littlehampton, West Sussex, England, BN16 3BZ

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Bushells Business Services Ltd (12020152)**

6 Victoria Avenue, Harrogate, North Yorkshire, United Kingdom, HG1 1ED

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Calcutt Consultancy Limited (3873812)**

19 North Street, Ashford, Kent, TN24 8LF

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Centurion VAT Training Limited (12020580)**

Celtic House Caxton Place, Pentwyn, Cardiff, United Kingdom, CF23 8HA

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**CHW Accountants Limited (12017661)**

Transport House Uxbridge Road, Hillingdon, Uxbridge, Middlesex, United Kingdom, UB10 0LY

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**CMS Pub and Restaurant Accountants Ltd (12020232)**

61 Bryn Street, Wigan, Lancs, England, WN4 9AX

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Dalton Square Ltd (07051486)**

Dalton House, 9 Dalton Square, Lancaster, LA1 1WD

Nature of business: Dormant company

Proportion of voting rights, ordinary share capital held 100%

**Innovating Enterprise Outsourcing Limited (12017405)**

93 Wellington Road North, Stockport, United Kingdom, SK4 2LR

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Capsule Solutions Limited (13249628)**

26 High Street, Rickmansworth, England, WD3 1ER

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**OTS Practice Limited (12025582)**

Suite 46, Manor Court Salesbury Hall Road, Ribchester, Preston, Lancashire, United Kingdom, PR3 3XR

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Elman Wall Travel Accountants Limited (12017114)**

8th Floor Becket House, 36 Old Jewry, London, England, EC2R 8DD

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**FCA Outsourcing Ltd (12020651)**

St James House, 9-15 St James Road, Surbiton, Surrey, United Kingdom, KT6 4QH

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Foster Mann Consultancy Limited (12027517)**

Unit 26g, Springfield Commercial Centre Bagley Lane, Farsley, Leeds, West Yorkshire, United Kingdom, LS28 5LY

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**GCSD Outsourcing Limited (11986445)**

701 Stonehouse Park Sperry Way, Stonehouse, Gloucestershire, England, GL10 3UT

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**G W Jones & Co Advisory Ltd (12017303)**

Office 1, The Coach House 24-26 Station Road, Shirehampton, Bristol, United Kingdom, BS11 9TX

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Graham Paul Technology Limited (03883651)**

Address and rights attaching to share are as for Graham Paul Limited

Nature of business: Dormant company

**Future Success Limited (12002025)**

Riverside House Kings Reach Business Park, Yew Street, Stockport, United Kingdom, SK4 2HD

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Trastone Business Advisory Limited (12017737)**

2 High Street, Burnham On Crouch, Essex, United Kingdom, CM0 8AA

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Future Proof Accounting Limited (12023414)**

St Andrews House Yale Business Village, Ellice Way, Wrexham, Wrexham Cb, United Kingdom, LL13 7YL

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**JW Accountants 2019 Limited (12018666)**

Albion House, 163-167 King Street, Dukinfield, England, SK16 4LF

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**KJG CR Limited (11951466)**

Kay Johnson Gee Limited, 1 City Road East, Manchester, United Kingdom, M15 4PN

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%



**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**Digital Resource Management Limited (06946883)**

26 High Street, Rickmansworth, Hertfordshire, WD3 1ER

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**L&G Accountants Limited (12022762)**

C/O Arlington Accountants School Lane, Chandler's Ford, Eastleigh, England, SO53 4DY

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Lewis Ballard DRM Ltd (12012134)**

Celtic House, Caxton Place, Pentwyn, Cardiff, United Kingdom, CF23 8HA

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Lucentum Solutions Limited (12020624)**

Kingfisher House, 11 Hoffmanns Way, Chelmsford, Essex, United Kingdom, CM1 1GU

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Marlow Proactive Bureau Services Ltd (12019445)**

14 Phoenix Park, Telford Way, Coalville, Leicestershire, England, LE67 3HB

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**McGregors CCP Forensics Ltd (12024803)**

12 Mansfield Office Suite 0.3, Hamilton Court, Mansfield, Nottinghamshire, England, NG18 5FB

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**McLintocks Accountants Limited (12022897)**

2 Hilliards Court, Chester Business Park, Chester, Cheshire, United Kingdom, CH4 9QP

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**McManus Williams Advisory Services Limited (12026450)**

Suite 2 Bellevue Mansions, 18-22 Bellevue Road, Clevedon, England, BS21 7NU

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**MG Marine Accountants Limited (12017883)**

Watcombe Priors Lodge, Teignmouth Road, Torquay, England, TQ1 4SQ

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**MMP Digital Limited (12024146)**

Unit 34 Basepoint Shearway Business Park, Folkestone, Kent, England, CT19 4RH

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**MG Marine Accountants Limited (12017883)**

Watcombe Priors Lodge, Teignmouth Road, Torquay, England, TQ1 4SQ

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Smart Salon Accountants Limited (SC632197)**

Business First C/O Murray Associates, Linwood Point, Paisley, Scotland, PA1 2FB

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Newsham Hanson Training Limited (12020830)**

Edinburgh House, 1-5 Bellevue Road, Clevedon, North Somerset, England, BS21 7NP

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**O'Brien & Partners Outsourcing Limited (12017081)**

Highdale House 7 Centre Court, Main Avenue, Treforest Industrial Estate, Pontypridd, United Kingdom, CF37 5YR

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Palason and Partners Company Ltd (12017557)**

72 Great Suffolk Street, London, England, SE1 0BL

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Passmore Weeks Management Services Limited (02806958)**

36 Church Street, Stradbroke, Eye, Suffolk, England, IP21 5HS

Nature of business: Dormant company

Proportion of voting rights, ordinary share capital held 100%

**Philip Carroll Accountants Limited (12018205)**

10 Ambassador Place Stockport Road, Altrincham, Cheshire, United Kingdom, WA15 8DB

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Riley Moss Consultancy Limited (12024794)**

Riley House, 183-185 North Road, Preston, Lancashire, England, PR1 1YQ

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Robinson Sterling Limited (6341805)**

616d Green Lane, Ilford, Essex, IG3 9SE

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Rohans Management Consultants Limited (12017650)**

Rohans House, 92-96 Wellington Road South, Stockport, England, SK1 3TJ

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Romsey Agricultural Accountants Ltd (12017366)**

Unit 3 Shelley Farm Shelley Lane, Ower, Romsey, Hampshire, England, SO51 6AS

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Stenrico Advisors Limited (12024175)**

3 Park Court, Pyrford Road, West Byfleet, Surrey, England, KT14 6SD

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Stead Robinson Outsourcing Limited (12024897)**

Dipford House, Queens Square Huddersfield Road, Honley, Holmfirth, West Yorkshire, England, HD9 6QZ

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Styles & Co Bookkeeping Limited (12018270)**

473 Warrington Road, Culcheth, Warrington, Cheshire, England, WA3 5QU

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**The Profit Key Consulting Limited (12023012)**

Prince William House, 10 Lower Church Street, Ashby De La Zouch, Leicestershire, United Kingdom, LE65 1AB

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**12. INVESTMENTS – continued**

**Tish Press Services Ltd (12027449)**

Create Business Hub, Ground Floor 5 Rayleigh Road, Hutton, Brentwood, Essex, England, CM13 1AB

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Tony Jacques Outsourcing Limited (12017246)**

Kingfisher House 140 Nottingham Road, Long Eaton, Nottingham, England, NG10 2EN

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Payroll Done Limited (12017680)**  
89 High Street, Thame, Oxfordshire, United Kingdom, OX9 3EH

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**R&D Tax Box Limited (11893890)**

Address and rights attaching to share are as for Clear Vision Financial Management Limited

Nature of business: Dormant company

Proportion of voting rights, ordinary share capital held 100%

**Weaver Wroot Consultancy Limited (12015273)**

28 Dudley Street, Grimsby, N. E. Lincolnshire, United Kingdom, DN31 2AB

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**WG Outsourcing Limited (12000772)**

12 Conqueror Court, Sittingbourne, Kent, England, ME10 5BH

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Wren Accountants & Business Advisers Ltd (11752455)**

4 Cross Street, Beeston, Nottingham, United Kingdom, NG9 2NX

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Bookkeeping Success Limited (12030792)**

5a The Gardens, Broadcut, Fareham, Hampshire, United Kingdom, PO16 8SS

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Peter Howard Foreman Limited (07532760)**

4 Wharfe Mews, Cliffe Terrace, Wetherby, West Yorkshire, LS22 6LX

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Team Unprecedented Limited (11754474)**

8<sup>th</sup> Floor Becket House, 36 Old Jewry, London, EC2R 8DD

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**Team XGL Limited (11723628)**

8<sup>th</sup> Floor Becket House, 36 Old Jewry, London, EC2R 8DD

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

**WIRIS Limited (11318230)**

8<sup>th</sup> Floor Becket House, 36 Old Jewry, London, EC2R 8DD

Nature of business: Dormant

Proportion of voting rights, ordinary share capital held 100%

## XEINADIN TOPCO 1 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023

## XEINADIN TOPCO 1 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023

## 13. PROPERTY, PLANT &amp; EQUIPMENT

| GROUP                                     | Fixture<br>and<br>fittings | Motor<br>vehicles | Com-<br>puter<br>equip-<br>ment | Lease-<br>hold<br>improve-<br>ment | Sub<br>total | Right<br>of use<br>assets | Totals        |
|-------------------------------------------|----------------------------|-------------------|---------------------------------|------------------------------------|--------------|---------------------------|---------------|
| COST                                      | £000                       | £000              | £000                            | £000                               | £000         | £000                      | £000          |
| At 7 January 2022                         | -                          | -                 | -                               | -                                  | -            | -                         | -             |
| Additions on acquisitions of subsidiaries | 571                        | 25                | 969                             | -                                  | 1,565        | 9,265                     | 10,830        |
| Additions                                 | 226                        | -                 | 1,181                           | 652                                | 2,059        | 2,483                     | 4,542         |
| Disposals                                 | (3)                        | -                 | (17)                            | -                                  | (20)         | (997)                     | (1,017)       |
| Exchange differences                      | 1                          | -                 | (2)                             | -                                  | (1)          | 18                        | 17            |
| <b>At 31 May 2023</b>                     | <b>795</b>                 | <b>25</b>         | <b>2,131</b>                    | <b>652</b>                         | <b>3,603</b> | <b>10,769</b>             | <b>14,372</b> |
| <b>DEPRECIATION</b>                       |                            |                   |                                 |                                    |              |                           |               |
| At 7 January 2022                         | -                          | -                 | -                               | -                                  | -            | -                         | -             |
| Charge for period                         | 190                        | 10                | 841                             | -                                  | 1,041        | 2,344                     | 3,385         |
| Eliminated on disposal                    | (2)                        | -                 | (11)                            | -                                  | (13)         | (488)                     | (501)         |
| Exchange differences                      | -                          | -                 | 2                               | -                                  | 2            | (6)                       | (4)           |
| <b>At 31 May 2023</b>                     | <b>188</b>                 | <b>10</b>         | <b>832</b>                      | <b>-</b>                           | <b>1,030</b> | <b>1,850</b>              | <b>2,880</b>  |
| <b>NET BOOK VALUE</b>                     |                            |                   |                                 |                                    |              |                           |               |
| <b>At 31 May 2023</b>                     | <b>607</b>                 | <b>15</b>         | <b>1,299</b>                    | <b>652</b>                         | <b>2,573</b> | <b>8,919</b>              | <b>11,492</b> |

## XEINADIN TOPCO 1 LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**14. TRADE AND OTHER RECEIVABLES**

|                                    | <b>Group<br/>2023<br/>£000</b> | <b>Company<br/>2023<br/>£000</b> |
|------------------------------------|--------------------------------|----------------------------------|
| <b>Current</b>                     |                                |                                  |
| Trade receivables                  | 24,101                         | -                                |
| Amounts owed by Group undertakings | -                              | 10,735                           |
| Amounts owed by associates         | 2,810                          | -                                |
| Other debtors                      | 984                            | 74                               |
| Prepayments                        | 3,076                          | -                                |
|                                    | <u>30,971</u>                  | <u>10,809</u>                    |

Amounts owed by Group undertakings are interest free and repayable on demand.

|                                    | <b>Group<br/>2023<br/>£000</b> | <b>Company<br/>2023<br/>£000</b> |
|------------------------------------|--------------------------------|----------------------------------|
| <b>Non-Current</b>                 |                                |                                  |
| Amounts owed by Group undertakings | -                              | 155,857                          |
|                                    | <u>-</u>                       | <u>155,857</u>                   |

Amounts owed by Group undertakings are interest free and repayable on demand.

**Trade receivables**

The average credit period on trade receivables is 65 days. No interest is charged on outstanding receivables. The Group does not hold any collateral. The carrying amount of trade and other receivables approximates to the fair value. The Group has adopted the simplified model as the assets are all basic and therefore lifetime expected credit losses are assumed.

The Group recognises a loss allowance of 12.42% for receivables over 120 days. These accounts include a loss allowance of £0.8m in respect of these debts over 120 days. Based on irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position, this is considered adequate as many customers are slow payers and will require repeat services. Therefore, customers will need to settle the fees before any additional services are provided.

Other than as disclosed below for the expected credit loss rate, there has been no change in the estimation techniques used during the current reporting period. In addition to the historical element of the credit loss experience the Group has considered a combination of forward-looking information cut by industry exposure to macro-economic factors. The expected credit loss rate is 4.94%.

The following table details the risk profile of trade receivables and contract assets based on the Group's provision matrix.

| Current            | <b>Gross<br/>carrying<br/>amount<br/>£000</b> | <b>Lifetime<br/>expected<br/>credit<br/>losses<br/>£000</b> | <b>Expected<br/>credit loss rate<br/>%</b> |
|--------------------|-----------------------------------------------|-------------------------------------------------------------|--------------------------------------------|
| Current            | 12,368                                        | 192                                                         | 1.55%                                      |
| More than 30 days  | 2,932                                         | 99                                                          | 3.38%                                      |
| More than 60 days  | 2,826                                         | 109                                                         | 3.86%                                      |
| More than 90 days  | 1,134                                         | 88                                                          | 7.76%                                      |
| More than 120 days | 6,183                                         | 768                                                         | 12.42%                                     |
|                    | <u>25,443</u>                                 | <u>1,256</u>                                                | <u>4.94%</u>                               |

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****14. TRADE AND OTHER RECEIVABLES - continued**

Trade receivables and contract assets

|                                           | <b>2023</b>          |
|-------------------------------------------|----------------------|
|                                           | <b>£000</b>          |
| Trade receivables                         | 25,443               |
| Contract assets                           | 15,418               |
| Expected credit losses                    | <u>(1,577)</u>       |
| Net trade receivables and contract assets | <u><u>39,284</u></u> |
| <b>Expected credit loss</b>               |                      |
| At 7 January 2022                         | -                    |
| Additions on acquisitions of subsidiaries | 1,105                |
| Movement during the period                | 472                  |
|                                           | <u><u>1,577</u></u>  |

**15. CASH AND CASH EQUIVALENTS**

|               | <b>Group</b>  | <b>Company</b> |
|---------------|---------------|----------------|
|               | <b>£000</b>   | <b>£000</b>    |
| Bank accounts | <u>15,757</u> | <u>-</u>       |

## XEINADIN TOPCO 1 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023

## 16. TRADE AND OTHER PAYABLES

|                                    | Group<br>2023<br>£000 | Company<br>2023<br>£000 |
|------------------------------------|-----------------------|-------------------------|
| <u>Current:</u>                    |                       |                         |
| Trade payables                     | 4,236                 | -                       |
| Amounts owed to Group undertakings | -                     | 39                      |
| Social security and other taxes    | 8,209                 | -                       |
| Other creditors                    | 9,123                 | -                       |
| Accrued expenses                   | 4,294                 | -                       |
|                                    | <u>25,862</u>         | <u>39</u>               |
| <u>Non-Current:</u>                |                       |                         |
| Other creditors                    | 5,453                 | -                       |
|                                    | <u>5,453</u>          | <u>-</u>                |

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs. The carrying amount of trade and other payables approximates the fair value. Amounts owed to Group undertakings are interest free and repayable on demand.

## 17. FINANCIAL LIABILITIES - BORROWINGS

|                        | Group<br>2023<br>£000 |
|------------------------|-----------------------|
| <b>Current</b>         |                       |
| Bank loans             | 6,250                 |
| Leases (see note 18)   | 2,358                 |
|                        | <u>8,608</u>          |
| <b>Non-Current</b>     |                       |
| Bank loans             | 98,192                |
| Less: Arrangement fees | (5,804)               |
| Other loans            | 31,973                |
| Preference shares      | 305,753               |
| Leases (see note 18)   | 6,954                 |
|                        | <u>437,068</u>        |

Preference shares are redeemable cumulative preference shares with a coupon rate of 12% per annum. These shares are issued at an issue price of £1 per share and are redeemable ten years from the date of issue or on sale of the business. The shares are unsecured borrowings of the Group and are not publicly traded. These instruments are measured at cost and the Directors consider that the carrying amount approximates to their fair value.

These redeemable cumulative preference shares do not contain any equity component and are classified as financial liabilities in their entirety. The preference shares have fixed interest payments and mature ten years from the issue date of 20 May 2022 or sale of business. No dividends were paid on redeemable cumulative preference shares.

Other loans include loan notes of £31,973,052 which are redeemable in full on their maturity date on 20 May 2032. They accrue interest at a rate of 12% compounded annually.

Bank loans are secured loans, which comprise amounts borrowed from a syndicate of a commercial banks and are secured by floating charge over the assets of subsidiaries. As at 31 May 2023, the Group facilities comprises the following;

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****17. FINANCIAL LIABILITIES – BORROWINGS - continued**

- Senior Debt facility (Facility B) – total available facility is £91,600,000 and the Group utilises the facility in full. This carries an interest of 5.25% plus SONIA and is repayable 7 years from the drawdown (19 May 2022).
- Revolving facility – total available facility is £10,000,000 and the Group utilises £6,250,000 as at 31 May 2023. This carries an interest of 4% plus SONIA.
- Capex/Acquisition facility – total available facility is £50,000,000 and the Group utilises £6,592,000 as at 31 May 2023. This carries an interest of 5.25% plus SONIA and repayable 7 years from the drawdown (19 May 2022).

**18. LEASES**

|                                           |               |
|-------------------------------------------|---------------|
| <b>Group</b>                              |               |
| <b>Right of use assets</b>                | <b>2023</b>   |
| <b>COST</b>                               | <b>£000</b>   |
| At 7 January 2022                         | -             |
| Additions on acquisitions of subsidiaries | 9,265         |
| Additions                                 | 2,483         |
| Disposals                                 | (997)         |
| Exchange differences                      | 18            |
| <b>At 31 May 2023</b>                     | <b>10,769</b> |
| <b>DEPRECIATION</b>                       |               |
| At 7 January 2022                         | -             |
| Additions on acquisitions of subsidiaries |               |
| Charge for period                         | 2,344         |
| Eliminated on disposal                    | (488)         |
| Exchange differences                      | (6)           |
| <b>At 31 May 2023</b>                     | <b>1,850</b>  |
| <b>NET BOOK VALUE</b>                     |               |
| <b>At 31 May 2023</b>                     | <b>8,919</b>  |

The right of use assets relate predominately to office facilities occupied by the employees of the subsidiary companies who provide professional services to their customer base.

The Group does not consider that there would be any material impact on the business should extensions not be granted to the existing leases or if early termination was required by either the Group or the lessors.

The internal borrowing rate used is the rate appertaining to the individual subsidiary companies who are the parties to the leases, the internal borrowing rate varies across the Group between 3% and 5%.

|                                           |              |
|-------------------------------------------|--------------|
|                                           | <b>2023</b>  |
|                                           | <b>£000</b>  |
| At 7 January 2022                         | -            |
| Additions                                 | 2,483        |
| Additions on acquisitions of subsidiaries | 9,754        |
| Loss of control                           | (509)        |
| Leasing payment in the period             | (2,813)      |
| Unwinding of interest                     | 397          |
|                                           | <b>9,312</b> |



## XEINADIN TOPCO 1 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023

## 18. LEASES - continued

## Group

## Lease liabilities

|                                             | 2023          |
|---------------------------------------------|---------------|
|                                             | £000          |
| Minimum lease payments fall due as follows: |               |
| <u>Gross obligations repayable:</u>         |               |
| Within one year                             | 2,705         |
| Between one and five years                  | 5,480         |
| In more than five years                     | 2,489         |
|                                             | <b>10,674</b> |
| <u>Finance charges repayable:</u>           |               |
| Within one year                             | 347           |
| Between one and five years                  | 759           |
| In more than five years                     | 256           |
|                                             | <b>1,362</b>  |
| <u>Net obligations repayable:</u>           |               |
| Within one year                             | 2,358         |
| Between one and five years                  | 4,721         |
| In more than five years                     | 2,233         |
|                                             | <b>9,312</b>  |

## Lease liabilities

At 31 May 2023, the Group is committed to £9.3m in future lease payments, none of which relates to short-term leases. The carrying amount of the lease liabilities approximates the fair value.

The Group's obligations are secured by the lessors' title to the leased offices which have a carrying value of £8.9m. The Group does not face a significant liquidity risk with regard to its lease liabilities and these are monitored as part of the overall process of managing cash flows.

## Other lease disclosure

|                          | 2023         |
|--------------------------|--------------|
|                          | £000         |
| Short-term lease expense | <b>1,103</b> |

## 19. FINANCIAL INSTRUMENTS

## Group

Classes and categories of financial instruments and their fair values.

The statement of financial position is analysed below:

|                             | Amortised cost | Fair value through profit or loss | Balance in the statement of financial position |
|-----------------------------|----------------|-----------------------------------|------------------------------------------------|
|                             | £000           | £000                              | £000                                           |
| Interest rate swap          | -              | 4,087                             | 4,087                                          |
| Trade and other receivables | 27,895         | -                                 | 27,895                                         |
| Cash and bank balances      | 15,757         | -                                 | 15,757                                         |
| Contract assets             | 15,183         | -                                 | 15,183                                         |
| Trade and other payables    | 17,653         | -                                 | 17,653                                         |
| Lease liabilities           | 9,312          | -                                 | 9,312                                          |
| Loans and borrowings        | 442,168        | -                                 | 442,168                                        |

The financial instruments are stated at their amortised costs which approximate materially to their fair value.

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****19. FINANCIAL INSTRUMENTS - continued**

The Group is exposed to the following financial risks from its use of financial instruments which mainly comprise of trade receivables, contract assets and cash.

**Market risk****a) Interest rate**

The Group exposure to interest rate risk is low as the majority of the borrowings are either on a fixed rate or interest rate swaps have been taken against the variable interest.

**b) Foreign exchange risk**

The majority of the Group's sales are made, and income is earned, in GBP with the balance in Euros.

The Group does not hedge the impact of exchange rate movements arising on translation of earnings into sterling at average exchange rates.

The following is the Euros rate applied during the year:

Euros to GBP: Average rate = 1.1641, closing rate = 1.1758.

The majority of the Group's transactions are carried out in the respective functional currencies of the Group's operations and so transaction exposure is minimal. Given the minimal nature of these exposures the Group does not have any cashflow hedging instruments.

**Credit risk**

This is the risk that counterparties to financial instruments do not perform according to the terms of the contract or instrument. The Group's credit risk is primarily attributable to trade receivables. The Board consider this to be a low risk because the nature of business involves a high volume and low value transactions. The credit risk is spread over a large number of unrelated counterparties and customers. In addition, the Group holds long standing relationships with a very large percentage of its customers and closely monitors the credit worthiness of customers and reviews aged analysis reports. If amounts are no longer considered recoverable, they are written off. The Group applied IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets. The expected loss rates derived from this assessment are adjusted to reflect current and forward-thinking information affecting the ability of customers to pay. The Group has over 60,000 customers, the largest of which generates total fees of less than £400,000 and as a consequence the credit risk is widely spread, and the Group has no exposure to any one single customer. Cash balances are held with strong rated commercial banks and therefore the credit risk is expected to be low.

**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 Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due..

The Group is financed through a combination of bank and debt instruments that carry variable and fixed rates of interest (see note 17 for more details). The appropriateness of these bank and debt instruments and the risks related to variable rate debt are periodically reviewed by Management and the Board. These facilities are secured against the assets of the Group including those of the company. The financing provides the necessary headroom to support the expansion plans of the business. These facilities are also subject of financial bank covenants, which Management monitors on a regular basis to ensure that there are no actual or anticipated breaches. There were no covenant breaches during the reporting period.

The below table shows the gross, contractual cash flow commitments on the Group's financial liabilities.

|                          | Carrying<br>amount | Gross<br>contractual<br>cash<br>flows | Falling due<br>in 1 year | Falling due<br>in 1-2 years | Falling due<br>in 2-5 years | Falling due<br>in 5+ years |
|--------------------------|--------------------|---------------------------------------|--------------------------|-----------------------------|-----------------------------|----------------------------|
|                          | £000               | £000                                  | £000                     | £000                        | £000                        | £000                       |
| Trade and other payables | 31,315             | 32,583                                | 25,829                   | 6,754                       | -                           | -                          |
| Bank and other loans     | 104,442            | 151,067                               | 14,190                   | 7,737                       | 23,211                      | 105,929                    |
| Loan notes               | 31,973             | 97,937                                | -                        | -                           | -                           | 97,937                     |
| Preference shares        | 305,753            | 936,556                               | -                        | -                           | -                           | 936,556                    |
| Lease liabilities        | 9,312              | 10,674                                | 2,705                    | 5,480                       | 2,489                       | -                          |

**XEINADIN TOPCO 1 LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023****20. DEFERRED TAX****Group**

|                               | <b>2023<br/>£000</b> |
|-------------------------------|----------------------|
| <b>As at 7 January 2022</b>   | <b>-</b>             |
| Recognized in profit and loss | <b>(2,536)</b>       |
| Additions on acquisition:     | <b>22,044</b>        |

|                          |               |
|--------------------------|---------------|
| <b>Balance at 31 May</b> | <b>19,508</b> |
|--------------------------|---------------|

|                            | <b>2023<br/>£000</b> |
|----------------------------|----------------------|
| Within one year            | <b>2,665</b>         |
| Between one and five years | <b>10,660</b>        |
| In more than five years    | <b>6,183</b>         |
|                            | <b>19,508</b>        |

Deferred tax liabilities have been measured at the rate they are expected to unwind at, using rates substantively enacted at 31 May 2023.

**21. CALLED UP SHARE CAPITAL**

| <b>Allotted, issued, and fully paid</b> | <b>Number</b>    | <b>Nominal value<br/>£</b> | <b>2023<br/>£</b> |
|-----------------------------------------|------------------|----------------------------|-------------------|
| A Ordinary Shares                       | 340,000          | 0.01                       | <b>3,400</b>      |
| B Ordinary Shares                       | 510,000          | 0.01                       | <b>5,100</b>      |
| C Ordinary Shares                       | 150,000          | 0.01                       | <b>1,500</b>      |
|                                         | <b>1,000,000</b> |                            | <b>10,000</b>     |

The holders of the A & B ordinary shares have full voting rights, the right to receive dividends and the right to share in any return of capital. The holders of C ordinary shares have no voting rights but have right to receive dividends and the right to share in any return of capital.

The A ordinary shares were paid for in cash.

**XEINADIN TOPCO 1 LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**22. RESERVES**

The purpose of each reserve is as follows:

**Retained earnings**

This represents distributable profits earned since the formation of the Group, net of dividends paid to the holders of the equity of the Group.

**Share premium**

This represents the excess of the fair value and nominal value of ordinary shares issued.

**23. PENSION COMMITMENTS**

The Group operates defined contribution schemes. During the period the Group contributed £2.7m. There were outstanding contributions at the balance sheet date of £0.3m included within other creditors.

**24. CONTINGENT LIABILITIES**

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is uncertain or cannot be measured reliably.

Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote.

The Group maintains professional indemnity insurance and can confirm that there are no potential claims that are not at a remote chance of crystallisation outstanding as at 31 May 2023 since the Group was formed on 7 January 2023.

Similarly, the Group does not have any material exposure on property dilapidations.

There is a cross guarantee across various member firms of the Group. The banking security group extends to include the UK and Irish subsidiaries.

**25. CAPITAL COMMITMENTS**

At the balance sheet date, the Group had no material commitments in respect of property, plant and equipment.

**26. RELATED PARTIES**

The Group has related party relationships with its associates, Xeinadin Debtco Limited and key Management personnel. In the course of ordinary trading, related party transactions entered into by the Company have been contracted on an arm's length basis.

The key Management personnel comprise the Group Board who plan, control, and monitor the activities of the Group. Details of their remuneration are given in note 5.

## XEINADIN TOPCO 1 LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2023**

**26. RELATED PARTIES - continued**

Material transactions and period end balances with related parties were as follows:

The total value of transactions entered into with subsidiaries during the period was as follows:

|                                        |          | <b>2023<br/>£000</b> |
|----------------------------------------|----------|----------------------|
| Recharges from Xeinadin Debtco Limited | <b>1</b> | <b>93</b>            |
| Amount due from associate              | <b>2</b> | <b>2,810</b>         |
| Revenue through associate              | <b>2</b> | <b>9,592</b>         |
| Loan notes                             | <b>3</b> | <b>31,973</b>        |

1. Charges from Xeinadin Debtco Limited in respect of monitoring services provided for the Group.

2. The Group has receivables from and sales to with Xeinadin Audit Limited as at 31 May 2023.

3. Unsecured loan notes are payable to Xeinadin Debtco Limited. The amount represents the principle and rolled-up interest outstanding as at 31 May 2023. The principle amount of the loan note outstanding as at 31 May 2023 was £28,444,500 and interest accrued was £3,528,222. These loan notes are redeemable in full on their maturity date on 20 May 2032. They accrue an interest at a rate of 12% compounded annually.

**27. CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES**

The following is a reconciliation of cash flow and non-cash flow movements relating to the financing of the Group, in accordance with the requirements of IAS 7.44(A).

|                               | <b>As at 7<br/>January<br/>2022</b> | <b>Repayments</b> | <b>Additions</b> | <b>Acquired in<br/>business<br/>combination</b> | <b>Interest<br/>accrued</b> | <b>Non-cash</b> | <b>Total</b>   |
|-------------------------------|-------------------------------------|-------------------|------------------|-------------------------------------------------|-----------------------------|-----------------|----------------|
|                               | <b>£000</b>                         | <b>£000</b>       | <b>£000</b>      | <b>£000</b>                                     | <b>£000</b>                 | <b>£000</b>     | <b>£000</b>    |
| Investor loans                | -                                   | -                 | 28,444           | -                                               | 3,529                       | -               | <b>31,973</b>  |
| Long term borrowing           | -                                   | -                 | 98,192           | -                                               | -                           | (5,804)         | <b>92,388</b>  |
| Short term borrowing          | -                                   | -                 | 6,250            | -                                               | -                           | -               | <b>6,250</b>   |
| Lease liabilities             | -                                   | (2,813)           | 2,483            | 9,754                                           | 397                         | (509)           | <b>9,312</b>   |
| Preference shares             | -                                   | -                 | 93,554           | -                                               | 33,073                      | 179,126         | <b>305,753</b> |
| <b>Total debt liabilities</b> | <b>-</b>                            | <b>(2,813)</b>    | <b>228,923</b>   | <b>9,754</b>                                    | <b>36,999</b>               | <b>172,813</b>  | <b>445,676</b> |

For the purpose of the cash flow statement, £92,388,000 and £6,250,000 is added together and shown as proceeds from bank loans (net of arrangement fees).

\*This relates to the unamortised arrangement fees to arrange the finance.

## 28. DERIVATIVE FINANCIAL INSTRUMENT

2023  
£000  
4.087

### Derivative financial instruments

The effects of the fair value interest rate swap are as follows at 31 May:

|                                              |                |
|----------------------------------------------|----------------|
|                                              | 2023           |
|                                              | £000           |
| Carrying amount of derivatives               | 4,087          |
| Change in fair value of financial instrument | 4,087          |
| Notional amount                              | 91,600         |
| Maturity date                                | 31 August 2026 |

This derivative is held with a credit worthy bank thus risk exposure is covered.

## 29. CAPITAL MANAGEMENT

The Group does not consider anything other than share capital in this assessment.

### 30. EVENTS SINCE THE END OF THE YEAR

Due to the proximity of the acquisition to the finalisation of these financial statements, management has not completed its assessment of the fair values of the assets and liabilities acquired and not completed the Purchase Price Allocation (PPA) exercise for the post year-end acquisitions. Therefore, full financial impact of post year-end acquisitions has not been disclosed.

The immediate parent company of the Group is Xeinadin Member GP Limited and it is registered in the United Kingdom and its registered office address is 8th Floor Becket House, 36 Old Jewry, London, EC2R 8DD. Xeinadin Member GP Limited holds the shares in Xeinadin Topco 1 Limited on behalf of 34 Limited Partnerships (Limited Partnerships). The Directors believe that there is no ultimate controlling party as none of the limited partners in the limited partnerships or any other investor in the Company's ultimate parent company has an ownership of more than 20% of the issued share capital of the ultimate parent company.