Registered number:
12068263

ASPIRE TOPCO LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	George Earp Joseph Sultana Philip Male Christopher Bates Simon Hitchcock Stewart Smythe James Whitehouse
Registered number	12068263
Registered office	Desklodge House Redcliffe Way Bristol BS1 6NL
Independent auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Glass Wharf Bristol BS2 0EL

ASPIRE TOPCO LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their strategic report for the year ended 31 December 2022.

Review of the business

Aspire Topco Limited and its subsidiaries are a digital transformation business involved in the provision of Software Solutions and Services, Data Science Services and Dedicated Software Resourcing.

Aspire Topco Limited and its subsidiaries are hereafter referred to as "the Group".

Turnover was £31.5 million (2021- £25.9 million) for the year ended 31 December 2022. The Group's loss for the year ended 31 December 2022 was £1.1 million (2021 loss - £1.4 million) and as at 31 December 2022 its total assets were £53.6 million (2021 - £38.4 million).

The statutory results for the year ended 31 December 2022 are set out on page 15.

Going concern

The Directors have considered the effects of recent macro-economic developments of rising inflation and interest rates including the impact of recent trading results on the Group and Company for the year ended 31 December 2023. The strong Group and Company liquidity position coupled with a robust trading position, mean the Group and Company are very stable from a profit perspective. At the time of approval of this report the Company's trading performance has remained in line with forecasts for the year ended December 2023. The business has received £1.5m additional preference share funding in June 2023 to part fund earn out payments. The business forecasts the Group financial performance out up to 12 months in advance from the date of approval of these financial statements to ensure that the Group's liquidity is maintained. The long-term repeat nature of many of the engagements with customers allows the business to accurately forecast revenue and cashflows. These forecasts are used to review compliance with our banking covenants. These forecasts and sales pipeline are reviewed by the board on a regular basis and are confident that the business will continue grow and meet its obligations.

We are confident that the Company is well placed to withstand any economic downturn should this occur. The Group has long-standing and supportive relationships with its shareholders and bankers and continues to have access to sufficient working capital and acquisition facilities which the Company can access if required. We have strong controls in place for the recovery of trade debtors and management of working capital. Having modelled a number of potential scenarios we are confident that the Company will continue to operate as a going concern and that we are well placed to meet customer demand and continue growth.

Future developments and post balance sheet events

The Group continues to expand its operations with focus on continuing to develop our Enterprise customer base across our main markets in the UK and Europe. The acquisition of Tekaris in 2022 is the first step in developing a larger customer base in the DACH region. We are focused on providing world class service to our customers, focused on the Microsoft Azure platform. We continue to invest in development of technical solutions, recruitment and training of our people and the maintenance of robust internal policies and procedures. We are well positioned to continue to organically and acquisitively grow the business.

Key performance indicators

	2022	2021
	£	£
Revenue (including other income)	31,534,547	25,919,772
Pre-acquisition revenue (Tekaris and Bild Analytics)	4,821,215	-
Proforma Group Revenue	36,355,762	25,919,772
Management EBITDA	6,217,645	4,906,141
Management EBITDA margin	17%	19%

Proforma Group revenue has increased by £10.7m primarily as a result of the new Group acquisitions. The Management EBITDA margin is 2% lower, which is a result of cost inflation not fully passed on to *customers in the period. All future contracts include inflationary clauses.*

Management EBITDA represents the basis on which Management review the performance of the Group, taking account of non-trading and exceptional items. It may be reconciled as follows:

	2022	2021
	£	£
Profit/Loss before adjustment	(1,106,717)	(1,384,361)
Adding back:		
Tax	(558,860)	580,142
Interest	1,948,439	851,854
Depreciation	650,028	679,409
Amortisation (including debt fee amortisation)	2,630,061	2,428,637
Transaction related costs	1,167,651	422,599
Impact of recognising rents as they fall due	(409,834)	(483,250)
Impact of foreign exchange (gains)/losses	(1,130,927)	(31,901)
Proforma adjustment for acquisitions	1,197,785	-
Management exceptional	1,830,019	1,843,012
Management EBITDA	6,217,645	4,906,141

Management EBITDA is a non-GAAP measure used to monitor the performance of the business and is defined as operating profit before depreciation, amortisation and management exceptional items.

Management exceptional	2022	2021
	£	£
Ownership charges	261,149	197,513
Professional fees	175,234	116,551
Property costs	66,141	114,253
Redundancy	125,495	77,321
Other non-recurring	1,202,000	1,337,374
Management exceptional	1,830,019	1,843,012

Principal risks and uncertainties
Macro-economic factors of rising inflation and interest rates and the resulting impact on the broader economy can affect short-term demand among consumer businesses. To date the overall demand for the Group's services has remained stable. The Group's ability to meet customer demand has remained strong, and overall sales are in line with forecasts. Risks and uncertainties associated with further rises in interest rates will be monitored and managed by the Board as appropriate.

The business will be exposed to normal operational risks as the business continues to expand, such as loss of key employees and inability to recruit employees. This risk is being managed by ongoing investment in our talent retention and recruitment teams, along with investment in training, infrastructure, systems and processes.

The business could also be impacted by exchange rate fluctuations with its overseas development centres. The business actively monitors exchange rate on a regular basis and where possible look to move currency around the Group to minimise losses and gains due to foreign exchange (FX).

Section 172(1) Statement
The Board of Directors always consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1) (a) - (f) of the Companies Act 2006, in the decisions taken during the year ended 31 December 2022.

Our plan is designed to have a long-term beneficial impact on the Group and to contribute to its success in delivering a high quality of service across all of our business.
Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay, benefits and training our employees receive. The health, safety and well-being of our team members is one of our primary considerations in the way we conduct our business. Engagement with suppliers and customers is key to our success. We meet with our major customers and suppliers regularly and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, anti-bribery and breaches of competition law.

Our plan considers the impact of the Company's operations on the community and environment and our wider social responsibilities, and in particular how we comply with environmental legislation and pursue waste-saving opportunities and react promptly to local concerns.

As the Board of Directors, our intention is to behave in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both construction and delivery of our plan that reflects our values, beliefs and culture.

As the Board of Directors, our intention is to behave responsibly towards all our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

On behalf of the Board

CRBates
Christopher Bates
Director
Date 27/9/2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the period ended 31 December 2022.

Principal activity
The principal activity of Aspire Topco Limited's subsidiaries is the provision of Software Solutions and Services, Data Science Services and Dedicated Software Resourcing.

Results and dividends
The results of the Group are detailed in the strategic report. The Directors do not propose the payment of a dividend.

Directors
The Directors who served during the year were:

Joseph Sultana
Stewart Smythe
Matthew Morris (resigned 19 January 2022)
Philip Male
Benjamin Hudson (resigned 3 May 2023)
Simon Hitchcock
George Earp
James Whitehouse (appointed 19 May 2022)
Christopher Bates (appointed 3 May 2023)

Directors' responsibilities statement
The Directors are responsible for preparing the Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 101 'Reduced Disclosure Framework'). 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 and profit or loss of the Company and the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, including FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

Business review and future developments
Review of the business performance and future developments for the Company are detailed in the strategic report.

Research and development
The business performs research and development as part of its delivery of client work, but no separable amount of research and development cost has been expensed in the year.

Employee engagement
The Strategic report sets out the statement of employee engagement. Further details of these can be found on Section 172(1) Statement section in the Strategic report.

Business relationships
The Strategic report sets out statement of business relationships. Further details of these can be found on Section 172(1) Statement section in the Strategic report.

Streamlined energy and carbon reporting
No entity within the Group meets the SECR requirements at an individual level and as such the Parent Company is exempt from disclosures.

Post balance sheet events
The business received £1.5m additional preference share funding in June 2023 to part fund earn out payments.

Disclosure of information to auditor
The Directors confirm that:

- so far as the Directors are aware, there is no relevant audit information of which the Company and the Group's auditor is 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 Company and the Group's auditor is aware of that information.

Auditor
The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

CRBates

Christopher Bates
Director
Date 27/9/2023

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

Opinion

We have audited the financial statements of Aspire Topco Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statements of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

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

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

In our evaluation of the Directors' conclusions, we considered the inherent risks associated with the Group's and the Parent Company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Group's and the Parent Company's financial resources or ability to continue operations over the going concern period.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006
In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' Report.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement set out on page 7, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (UK adopted international accounting standards, FRS 101 and the Companies Act 2006).

- We enquired of management and those charged with governance, concerning the Group's policies and procedures, relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated the results of our enquires to relevant supporting documentation including board minutes.

- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Group and Company's operations, including the nature of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the applicable statutory provisions
  - the Group and Company's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including management's knowledge of relevant laws and regulations and how the Company and the Group are complying with those laws and regulations, the adequacy of procedures for authorization of transactions and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. We determined the principal risks were in relation to the estimation and judgmental areas and including potential management bias through management override of controls. Our audit procedures included:
  - journal entry testing, with a focus on material manual journals and those posted directly to cash and revenue as well as those posted either around the year end or post year end;
  - challenging assumptions and judgments made by management in its significant accounting estimates particularly around forecast cash flows;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non- compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the client operates
  - understanding of the legal and regulatory requirements specific to the entity/regulated entity including the provisions of the applicable legislation; the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provision

- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the estimation and judgmental areas with a risk of fraud, including potential management bias through management override of controls in the preparation of the financial statements.

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

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

Tim Lincoln BA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol
Date 27/9/2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	4	31,534,547	25,919,772
Cost of sales		(18,679,054)	(14,503,921)
Gross profit		12,855,493	11,415,851
Administrative expenses		(12,803,482)	(11,407,517)
Other income		230,851	39,301
Operating profit	6	282,862	47,635
Finance expense	8	(1,948,439)	(851,854)
Net finance costs		(1,948,439)	(851,854)
Loss before tax		(1,665,577)	(804,219)
Income tax expense	9	558,860	(580,142)
Loss for the financial year		(1,106,717)	(1,384,361)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(113,008)	14,431
Total other comprehensive (loss) / income for the year		(113,008)	14,431
Total comprehensive loss for the year		(1,219,725)	(1,369,930)

The notes on pages 22 to 62 form part of these consolidated financial statements.

ASPIRE TOPCO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Assets			
Non-current			
Goodwill	11	20,628,528	16,412,762
Intangible assets	12	20,690,458	13,774,996
Property, plant and equipment	13	417,507	344,657
Right of use assets	14	1,814,489	1,467,779
Total non-current assets		43,550,982	32,000,194
Current assets			
Trade and other receivables	15	6,624,836	4,169,651
Current tax receivable		120,757	-
Cash and cash equivalents	16	3,268,835	2,232,517
Total current assets		10,014,428	6,402,168
Total assets		53,565,410	38,402,362
Current liabilities			
Trade and other payables	17	3,724,632	3,287,088
Contract liabilities		1,332,954	1,275,987
Current tax payable		-	262,360
Borrowings	18	3,075,558	412,960
Contingent consideration		1,682,067	-
Lease liabilities	14	319,828	463,190
Total current liabilities		10,135,039	5,701,585
Liabilities			
Non-current liabilities			
Borrowings	18	22,489,001	15,513,915
Contingent consideration		1,250,359	-
Deferred consideration		172,946	-
Lease liabilities	14	1,622,637	1,491,941
Deferred tax	22	5,168,145	3,276,552
Total non-current liabilities		30,703,088	20,282,408
Total liabilities		40,838,127	25,983,993

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022	2021
Equity	**Notes**	**£**	**£**
Share capital	23	94,257	94,133
Share premium	24	9,236,121	9,281,615
Merger reserve	24	5,394,520	5,394,520
Treasury shares reserve	24	(217)	(62)
Foreign exchange reserve	24	46,705	159,713
Retained earnings	24	(3,618,267)	(2,511,550)
Equity attributable to owners of the parent		11,153,119	12,418,369
Non-controlling interests		1,574,164	-
Total equity		12,727,283	12,418,369
Total equity and liabilities		53,565,410	38,402,362

These consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standards. The notes on pages 22 to 62 form part of these consolidated financial statements.

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

CRBates

Christopher Bates
Director
Date 27/9/2023
Company no: 12068263

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARENDED 31 DECEMBER 2022

	Notes	Share capital	Share premium account	Capital redemption reserve	Foreign exchange reserve	Treasury share reserve	Merger reserve	Retained Earnings	Equity attributable to owners of parent	Non-controlling interest	Total Equity
		£	£	£	£	£	£	£	£	£	£
Balance at 31 December 2020		94,133	9,291,584	-	145,282	(31)	5,394,520	(1,127,189)	13,798,299	-	13,798,299
Comprehensive income:											
Loss for the year		-	-	-	-	-	-	(1,384,361)	(1,384,361)	-	(1,384,361)
Foreign exchange movement through other comprehensive income		-	-	-	14,431	-	-	-	14,431	-	14,431
Total comprehensive income for the year		-	-	-	14,431	-	-	(1,384,361)	(1,369,930)	-	(1,369,930)
Transactions with owners in their capacity as owners:											
Repurchase of own shares	23		(9,969)	-	-	(31)	-	-	(10,000)	-	(10,000)
Total transactions with owners in their capacity as owners:		-	(9,969)	-	-	(31)	-	-	(10,000)	-	(10,000)
Balance at 31 December 2021		94,133	9,281,615	-	159,713	(62)	5,394,520	(2,511,550)	12,418,369	-	12,418,369
Comprehensive income:											
Loss for the year		-	-	-	-	-	-	(1,106,717)	(1,106,717)	-	(1,106,717)
Foreign exchange movement through other comprehensive income		-	-	-	(113,008)		-	-	(113,008)	-	(113,008)
Total comprehensive income for the year		-	-	-	(113,008)	-	-	(1,106,717)	(1,219,725)	-	(1,219,725)
Transactions with owners in their capacity as owners:											
Issue of shares		124	39,876	-	-	-	-	-	40,000	-	40,000
Repurchase of own shares	23	-	(85,370)	-	-	(155)	-	-	(85,525)	-	(85,525)
Acquired in business combinations		-	-	-	-	-	-	-	-	1,574,164	1,574,164
Total transactions with owners in their capacity as owners:		124	(45,494)	-	-	(155)	-	-	(45,525)	1,574,164	1,528,639
Balance at 31 December 2022		94,257	9,236,121	-	46,705	(217)	5,394,520	(3,618,267)	11,153,119	1,574,164	12,727,283

The notes on pages 22 to 62 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		£	£
Cash flows from operating activities			
Operating (loss) / profit		282,862	47,635
Adjustments for non-cash:			
Depreciation of right of use assets net of exchange difference	15	501,003	546,847
Depreciation and impairment of property, plant and equipment	14	149,025	132,562
Amortisation and impairment of intangible assets	13	2,630,061	1,818,721
Unrealised foreign exchange (gains) / losses		(1,010,691)	-
Working capital adjustments:			
Increase in trade and other receivables	16	(521,061)	(469,753)
Increase in contract liabilities		56,967	104,768
Increase / (decrease) in trade and other payables	18	212,011	(559,909)
Cash generated from underlying operations		2,300,177	1,620,871
Income tax paid		(745,338)	(317,504)
Net cash flows generated from operating activities		1,554,839	1,303,367
Investing activities			
Purchase of property, plant and equipment	14	(154,512)	(244,929)
Capitalised software enterprise application software	13	(650,903)	(368,831)
Acquisition of subsidiaries, net of cash acquired		(6,409,777)	-
Net cash flows used in investing activities		(7,215,192)	(613,760)
Financing activities			
Issue of shares	24	40,000	-
Buy- back of treasury shares	24	(85,525)	(10,000)
Interest paid		(1,367,955)	(765,814)
Proceeds from borrowings	20	10,065,250	1,245,063
Repayment of borrowings	20	(1,525,000)	(425,000)
Repayment of lease liabilities	20	(560,969)	(268,834)
Net cash flows generated from / (used in) financing activities		6,565,801	(224,585)
Net increase in cash and cash equivalents		905,448	465,022
Cash and cash equivalents at beginning of period		2,232,517	1,731,978
Effects of exchange rate changes on cash and cash equivalents		130,870	35,517
Cash and cash equivalents at end of year	17	3,268,835	2,232,517

The notes on pages 22 to 62 form part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

1. Corporate information

Aspire Topco Limited ('the Company') is a private limited company, limited by shares, incorporated and domiciled in the England and Wales, registered number 12068263. The address of its registered office and its principal place of business is Desklodge House, Redcliffe Way, Bristol, England BS1 6NL.

The principal activity of Aspire Topco Limited and its subsidiaries (together referred to as the 'Group') is the provision of Software Development Services, Data Science Services, Dedicated Software Resourcing and Software Solutions.

2. Significant accounting policies

The significant accounting policies that have been applied consistently to all periods presented, unless otherwise stated, in the preparation of these consolidated financial statements are summarised below.

Basis of preparation
The consolidated financial statements of the Group have been prepared in accordance with United Kingdom ("UK") adopted International Accounting Standards and The Companies Act 2006 as applicable to companies using International Accounting Standards.

The consolidated financial statements have been prepared under the historical cost convention, except where UK-adopted International Accounting Standards requires an alternative treatment.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each period. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries acquired during the period are included in the consolidated income statement from the date the Company gains control unless this date is within sufficient proximity to the period end to result in an immaterial impact to the financial statements.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. An applicable share of total comprehensive income is attributed to non-controlling interests.

New and amended International Financial Reporting Standards adopted by the Group

The Group has adopted the following standards, amendments to standards and interpretations which are effective for the first time this year. The impact is shown below:

New/Revised International Financial Reporting Standards		Effective Date: Annual periods beginning on or after:	UKEB adopted	Impact on the Group
Various	Amendments to • IFRS 3 Business Combinations; • IAS 16 Property, Plant and Equipment; • IAS 37 Provisions, Contingent Liabilities and Contingent Assets • Annual Improvements 2018-2020	1 January 2022	Yes	No material impact

International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of the consolidated financial statements, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Group. For the next reporting period, applicable International Financial Reporting Standards will be those endorsed by the UK Endorsement Board (UKEB).

Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of, these consolidated financial statements, the following could potentially have a material impact on the Group's financial statements going forward:

New/Revised International Financial Reporting Standards		Effective Date: Annual periods beginning on or after:	UKEB adopted
IAS 12	Amendments to IAS 12: Deferred Tax relating to Assets and Liabilities arising from a Single Transaction	1 January 2023	Yes
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current	1 January 2024	Yes

New / revised International Financial Reporting Standards which are not considered to potentially have a material impact on the Group's financial statements going forwards have been excluded from the above.

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not listed above are not expected to have a material impact on the Group's financial statements.

Going concern
Liquidity is managed at Group level using long-term Group bank facilities. Access to this cash is made available as needed to ensure the business remains a going concern.

The Directors have considered the effects of recent macro-economic developments of rising inflation and interest rates including the impact of recent trading results on the Group and Company for the year ended 31 December 2023. The strong Group and Company liquidity position coupled with a robust trading position, mean the Group and Company are very stable from a profit perspective. At the time of approval of this report the Company's trading performance has remained in line with forecasts for the year ended December 2023. The business has received £1.5m additional preference share funding in June 2023. The business forecasts the Group financial performance out up to 12 months in advance from the date of approval of these financial statements to ensure that the Group's liquidity is maintained. The long-term repeat nature of many of the engagements with customers allows the business to accurately forecast revenue and cashflows. These forecasts are used to review compliance with our banking covenants. These forecasts and sales pipeline are reviewed by the board on a regular basis and are confident that the business will continue grow and meet its obligations.

Having considered these risks and the current uncertain economic environment, the Directors believe that the Company has adequate resources to continue in operational existence as a trading company for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Business combinations and goodwill
General accounting
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to Other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Measurement and recognition of goodwill
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The Group conducts annual impairment tests on the carrying value of goodwill, the recoverable amount is determined from a combination of value-in-use calculations and observable relevant market transactions. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Management consider there to be only one cash-generating unit currently because the Group is managed and marketed as one range of offerings, with acquisitions subsumed into the main Group over time.

The key assumptions in the value-in-use calculations are the discount rate applied, the long-term operating margin (EBITDA) and the long-term growth rate of net operating cash flows. In all cases, the approved budget for the following financial year formed the basis for the cash flow projections. The approved cash flow projections in the four financial years following the budget year reflected management's expectations of the medium-term operating performance of the business and growth prospects in the market.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Deferred consideration
Deferred consideration arises when settlement of all or part of the cost of a business combination falls due after the date the acquisition was completed.

Where the payment of deferred consideration is not contingent upon continuing employment of the vendors by the Group, deferred consideration is stated at the fair value of the total consideration outstanding. In these cases, all deferred consideration has been treated as part of the cost of investment. At each balance sheet date deferred consideration comprises the fair value of the remaining deferred consideration valued at acquisition.

Where the payment of deferred consideration is contingent upon the vendors' continuing employment of by the Group, it is treated as a remuneration expense and accounted for as an employment benefit under IAS 19. A charge is made through the Consolidated Income Statement as a cost of employment. The cost associated with each payment is accrued over the period it is earned.

At each balance sheet date, the contingent deferred consideration balance comprises the accrual for unsettled remuneration which has been expensed to the balance sheet date.

Current versus non-current classification
The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement
Financial instruments measured at amortised cost are disclosed in note 20.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties, and for non-recurring measurement, such as assets held for distribution in discontinued operations. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per its accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares each change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The Group's review includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

IFRS 9: Expected Credit Losses
The Group applies the IFRS 9 simplified approach to measuring expected credit losses on trade receivables and contract assets, which uses a lifetime expected loss allowance. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables are also considered. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

Revenue and income recognition
In recognising and measuring revenue, Management have followed the five-step model in IFRS 15 and considered identification of the contract with a customer; identification of performance obligations of each contract; transaction price; allocation of transaction price to performance obligation and recognition of revenue at the point the performance obligation has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue represents invoiced software development services income, software licence fee income, support and maintenance income and other services income.
Licence and support income is only recorded in the Data and Software services reporting segments, but other revenue types are present in all three reporting segments described in the segmental reporting.

Perpetual software licence fee income is recognised in full on delivery of the licence and the issue of authorisation codes to activate the software. Support and maintenance income is deferred at the date of invoicing and released to the income statement over the duration of the maintenance contract. The balance of maintenance income invoiced but not yet released to the income statement because the contract is ongoing at the reporting date is carried in the Statement of Financial Position within contract liabilities.

Services income other than for support and maintenance contracts is recognised in the month the services are performed.

Training and implementation revenue is recognised when delivered if this is at a single point in time, or if the performance obligations are satisfied over time, by reference to the stage of completion of the transaction at the end of the reporting period. This assessment is made by comparing the proportion of contract costs incurred to date to the total expected costs to completion.

Subscription and cloud-based Software as a Service (SaaS) income is recognised in the month the service is available to the customer.

Other incentives income from partners is recognised monthly as earned and reported by the relevant partner.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in Sterling, which is the functional currency of the Parent Company. All values are rounded to the nearest pound.

Transactions and balances

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency monetary items are translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in Other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in Other comprehensive income.

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into sterling at the rate of exchange prevailing at the reporting date and their income statements are translated at the average rates of exchange during the period. The exchange differences arising on translation for consolidation are recognised in Other comprehensive income. On disposal of a foreign operation, the component of Other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Dividend distribution
Dividend distribution to the Company's shareholders is recognised as a deduction from equity in the Group's financial statements in the period in which the dividends are approved by (for final dividends) or paid to (for interim dividends) the Company's shareholders.

Intangible assets
Intangible assets arising on business combinations are revalued at acquisition date and stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the Income statement on a straight-line basis over their estimated useful lives as follows:

Enterprise application software	-	3 to 15 years
Brand	-	15 years
Development expenditure	-	5 to 10 years
Customer relationships	-	7 to 20 years

Research & development
Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development, and
- The ability to use the intangible asset generated

Where the Directors are satisfied as to the technical, commercial and financial viability of individual projects, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to benefit. Amortisation relates to the period in which future cash flows are expected to arise which is expected to be five years.

Property, plant and equipment
Property, plant and equipment is stated at cost net of depreciation and any provision for impairment. Depreciation is provided on a straight line basis at the following annual rates in order to write off the cost less residual value of each category of asset over its estimated useful life as follows:

Leasehold improvements	-	the lower of 10%-17% and the period of the leasehold
Computer equipment	-	25%
Fixtures and fittings	-	10%

The Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The interest rate of Revolving Credit Facility is used by the Group as incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

Treasury shares
When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold, the proceeds up to the cost of purchase is recognised as an increase in equity and any excess is credited to the share premium.

Impairment of assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

A financial asset is assessed at each reporting date to determine whether it is impaired, that is whether there are expected credit losses.

A financial asset is considered to be impaired if it is not expected to be recovered in full, using the expected credit loss model in IFRS 9. For certain categories of financial asset, such as trade receivables, the simplified approach is applied of using a matrix to group receivables with similar features, and then estimate lifetime expected losses based on accumulated experience by bucket.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Income Statement.

Financial instruments
Financial assets and liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provision of the instrument.
Financial assets are unrecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is unrecognised when it is extinguished, discharged, cancelled or expires.
Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Trade receivables from contracts with customers
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional less provision for impairment. Because of their short term nature the carrying amount of trade receivables approximates to their fair value.

Cash and cash equivalents
For the purpose of preparation of the Consolidated Cash Flow Statement and the Consolidated Statement of Financial Position, cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity period of three months or less. Bank overdrafts that are an integral part of a subsidiary's cash management are included in cash and cash equivalents where they have a legal right of set-off and there is an intention to settle net, against positive cash balances, otherwise bank overdrafts are classified as borrowings.

Trade payables
Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of borrowing on an effective interest basis.

Borrowing costs
Where borrowing costs are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale they

are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Post-employment benefits

The Group operates a personal defined contribution pension scheme which is open to all employees in the UK. The assets of the scheme are held separately from those of the Group in independently administered funds. Contributions payable to the scheme in respect of the period are recognised as an operating cost in the income statement. Similar schemes exist in the other countries the Group operates in.

3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with UK adopted International Accounting Standards requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Group's accounting policies.

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 particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Critical judgements in applying the Group's accounting policies

Capitalisation of development cost

The Group capitalizes internal costs of software development, where the Directors are satisfied as to the technical, commercial, and financial viability of individual projects. Judgement is required in determining whether a project is suitable for capitalisation and in determining the useful economic life.

Lease term

In determining lease terms, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Critical accounting estimates and assumptions

Acquisition accounting
Accounting for acquisitions requires a fair value exercise to assess the assets and liabilities acquired, including any separately identifiable intangible assets. The process of determining fair values may require management to make estimates which are subjective in nature. For each acquisition an appropriate discount & royalty rates were determined, along with detailed expected future cashflows to calculate the fair value of each identified intangible asset.

Impairment - goodwill and other intangibles
UK adopted International Accounting Standards require management to perform impairment tests to determine whether goodwill and other intangible assets are impaired on an annual basis or otherwise when changes in events or situations indicate that the carrying value may not be recoverable.

Impairment testing requires management to judge whether the carrying value of assets can be supported by the net present value of future cash flows that they generate for each cost-generating unit. Determining the number of separate cost-generating units in the business is a management judgement based on whether the cashflows are separately identifiable and on how integrated the daily operational functions of the different subsidiaries are. Calculating the net present value of the future cash flows requires estimates to be made in respect of highly uncertain matters including management's initial expectations of EBITDA, the long-term growth rate of net operating cash flows and an appropriate discount rate to reflect the risks involved.

Changing the assumptions selected by management, in particular growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation, and hence reported assets and profits or losses. Further details, including a sensitivity analysis, are included in note 12 "Goodwill".

Contingent Consideration
Any deferred contingent consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, are adjusted retrospectively with a corresponding adjustment to goodwill if they qualify as measurement period adjustments; otherwise they are remeasured to fair value at each reporting date, with changes in profit or loss. These payments include profit related consideration for which detailed forecasts are produced and the fair value of the likely payments are calculated using an appropriate discount rate.

4. Adjustment in respect of prior years

The reported results for the year to 31 December 2021 have been adjusted to correct an error in classification between Cost of sales and Administrative expenses. The effect has been to reduce the previously reported Cost of sales by £5,932,536 and increase Administrative expenses by the same amount.

5. Revenue

Revenue reported for the year relates solely to revenue from contracts with customers, with customers sometimes paying in advance at start of the contract. When revenue recognised in respect of a customer contract exceeds amounts received or receivable from a customer at that time, a contract asset is recognised. If amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer, a contract liability is recognised.

Revenue and profit before taxation in respect of continuing operations arise from the principal activities of the Group. Management identify and report results for the Group across three business streams at a Revenue level with management and resourcing operating from an integrated Group basis to deliver customer projects. The 3 main segments across the Group are:

1. Software Development Services;
2. Data Services;
3. Dedicated Software Resourcing

The Group derives all revenue from the transfer and delivery of services and licences over time.

	2022 £	2021 £
Over time - Services transferred	31,534,547	25,919,772
Total revenue	31,534,547	25,919,772

Liabilities relating to contracts with customers

Contract liabilities represent revenue received up front for contracts and deferred to be recognised over the contract term, generally 12 months. Materially all of the £1,332,954 (2021 - £1,275,987) recorded as current contract liabilities at 31 December 2022 and 31 December 2021 respectively will be recognised as revenue during the following year.

	2022	2021
Assets	£	£
Contract assets	414,790	35,140
Liabilities		
Contract liabilities – current	(1,332,954)	(1,275,987)

6. Segmental reporting

Revenue and profit before taxation in respect of continuing operations arise from the principal activities of the Group. Management identifies and report results for the Group across operating segments at a Revenue level. These segments operate from an integrated business model, spanning all Group entities and geographies with one management team. The 3 main segments across the Group are:

1. Software Development Services
2. Data Services
3. Dedicated Software Resourcing

During the period, £2,420,000 (2021 - £2,412,000 or 9%) or 8% of the Group's revenues depended on a single customer in the services segment.

2022	Software services	Data services	Dedicated	Other	Total
	£	£	£	£	£
Europe	7,833,432	2,581,879	-	-	10,415,311
UK	8,939,066	6,677,973	5,502,197	-	21,119,236
Total revenue	16,772,498	9,259,852	5,502,197	-	31,534,547

2021	Software services	Data services	Dedicated	Other	Total
	£	£	£	£	£
Europe	6,150,390	56,726	-	320,660	6,527,776
UK	8,977,718	6,053,300	4,360,978	-	19,391,996
Total revenue	15,128,108	6,110,026	4,360,978	320,660	25,919,772

7. Operating profit

The Group has identified a number of items which are material due to the significance of their nature and/or amount.

	2022	2021
	£	£
Depreciation	650,028	679,409
Amortisation	2,482,807	1,818,721
Impairment of intangible assets	147,254	-
Acquisition costs	1,167,651	422,599
Foreign currency differences	(1,010,691)	(31,901)
Ownership charges	261,149	197,513
Redundancy cost	209,155	77,321
Onerous lease costs	66,141	114,253

There are no research and development expenses charged to statement of comprehensive income other than amortisation of previously capitalised costs.

The analysis of auditor's remuneration is as follows:

	2022	2021
	£	£
Fees payable to the Group's auditor for the audit of the consolidated financial statements	43,495	25,000
Fees payable to the Group's auditor for the audit of the Group's subsidiaries	200,712	83,025
Total assurance fees	244,207	108,025
Audit-related assurance services	1,650	1,500
Non-audit services	1,331	23,820
Total fees	247,188	133,345

8. Employees and Directors

The Company had no employees other than the Directors. The average number of persons employed by the Group (including Directors) during the reporting period, analysed by category, was as follows:

	2022 £	2021 £
Technical	290	272
Sales	26	13
Administrative	54	46
Total	370	331

Their aggregate remuneration comprised:

Staff costs (including Directors on service contracts)	**2022** **£**	**2021** **£**
Wages and salaries	17,027,650	14,021,290
Social security	1,840,183	1,203,753
Post-employment benefits	233,086	180,683
Total	19,100,919	15,405,726

The Directors are considered to be the key management personnel of the Group. Two Directors are within the pension scheme. Their remuneration is disclosed below:

Aggregate Director compensation	**2022** **£**	**2021** **£**
Wages, salaries and short-term benefits	798,577	694,127
Post-employment benefits	9,963	9,963
Sub Total - Companies Act Disclosure	808,540	704,090
Social security costs	100,304	68,925
Total	908,844	773,015

Highest paid Director compensation	**2022** **£**	**2021** **£**
Wages, salaries and short-term benefits	200,000	200,000
Post-employment benefits	-	-
Sub Total - Companies Act Disclosure	200,000	200,000
Social security costs	27,630	26,382
Total	227,630	226,382

9. Finance expense

	2022 £	2021 £
Interest expense on loan notes	1,622,888	765,814
Interest on lease liabilities	77,005	86,040
Unwinding of discounted deferred & contingent consideration	248,546	-
Total interest expense	1,948,439	851,854

10. Income tax

	2022 £	2021 £
Current income tax:		
Current tax on profit for the year	289,452	265,809
Adjustment in respect of prior period	4,358	(304,717)
Current tax	293,810	(38,908)
Deferred tax:		
Current period	(713,318)	(317,822)
Adjustment in respect of prior period	7,082	145,159
Effect of changes in tax rates	(146,434)	791,713
Total deferred tax	(852,670)	619,050
Total tax charge	(558,860)	580,142

Analysis of charge in the period

The effective tax rate for the period is higher than the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19%. The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(1,665,577)	(804,219)
Tax on loss at standard UK rate of 19% (2021: 19%)	(316,460)	(152,802)
Effect of:		
Expenses not deductible	435,593	823,609
Income not taxable	(245,338)	(233,104)
Tax rate changes	(146,434)	791,713
Unrecognised deferred tax	-	(356,121)
s455 tax charge	12,421	
Recognition of deferred tax balances	(178,437)	-
Super deductions	(777)	(2,485)
Adjustment in respect of prior period	11,440	(159,558)
Differences in overseas tax rates	(130,868)	(131,110)
Total tax charge	(558,860)	580,142

11. Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Subsidiaries	Registered address and country of incorporation	Activity	Holding (Ordinary shares)	Ownership at 31 December 2022
Aspire Holdco Limited [1]	England & Wales	Holding Company	Direct	100%
Aspire Midco Limited [1]	England & Wales	Holding Company	Indirect	100%
Aspire Bidco Limited [1]	England & Wales	Holding Company	Indirect	100%
Ascent Digital Services UK Limited (formerly Mango Business Solutions Limited) [1]	England and Wales	Software Development	Indirect	100%
Ascent Software (UK) Limited [1]	England & Wales	Software Development	Indirect	100%
Ascent Software Holdings Malta Limited [2]	Malta	Holding Company	Indirect	100%
Ascent Software Limited [2]	Malta	Software Development	Indirect	100%
Ascent Solutions Limited [2]	Malta	Software Development	Indirect	100%
TechHuddle Limited [1]	England & Wales	Software Development	Indirect	100%
Ascent Teams EOOD [3]	Bulgaria	Software Development	Indirect	100%
Ascent Services EOOD [3]	Bulgaria	Software Development	Indirect	100%
Ascent (Portugal), Unipessoal, LDA [4]	Portugal	Software Development	Indirect	100%
Aspire Holding GmbH [5]	Germany	Holding Company	Indirect	100%
Tekaris GmbH [5]	Germany	Software Development	Indirect	75%

[1] Subsidiary registered address: Desklodge House, Redcliffe Way, Bristol, BS1 6NL
[2] Subsidiary registered address: 90/3, Alpha Centre, Tarxien Road, Luga
[3] Subsidiary registered address: 1113 Sofia, Sofia Municipality, Izgrev District, 28 Samokov Street
[4] Subsidiary registered address: Rua da Tabaqueira A2, 1950 256 Lisboa
[5] Subsidiary registered address: Elsenheimerstrasse 53, 80687 Munich

12. Goodwill

	£
Cost	
At 01 January 2021	16,383,000
Foreign currency difference	29,762
At 31 December 2021	16,412,762
Arising on acquisition (Note 26)	3,726,555
Foreign currency difference	489,211
At 31 December 2022	20,628,528

During the period, goodwill was reviewed for impairment in accordance with IAS 36 "Impairment of Assets". For the purposes of this impairment review, goodwill for continuing operations has been valued on the basis of discounted future cash flows.

The economic goodwill arising from the acquisitions relates to the ability to generate revenue growth from new customers going forward, and the high proportion of future revenue and EBITDA growth from new customers.

The Group is managed and marketed as one range of offerings, with acquisitions subsumed into the main Group over time. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units), which for the Group results in there being one cash generating unit. This is a management judgement as detailed in note 3.

The carrying value of goodwill at the end of the period is shown below:

	2022 £	2021 £
Core Ascent businesses (including new acquisitions)	20,628,528	16,412,762
Total goodwill	20,628,528	16,412,762

The Group conducts annual impairment tests on the carrying value of goodwill, the recoverable amount is determined from a combination of value-in-use calculations and observable relevant market transactions. The key assumptions in the value-in-use calculations are the pre-tax adjusted discount rate applied, EBITDA and the long-term growth rate of net operating cash flows. In all cases, the approved budget for the following financial period formed the basis for the cash flow projections.

The approved cash flow projections in the four financial periods following the budget period reflected management's expectations of the medium-term operating performance of the business and growth prospects in the market.

Year ended 31 December 2022

The table below shows key assumptions used in the value in use calculations for those CGUs with significant goodwill allocated them.

	Key assumptions	
	2022	2021
Post-tax adjusted discount rate	10.9%	13.1%
Five-year CAGR in adjusted EBITDA to December 2027	12.1%	17.0%
Long-term growth rate of net operating cash flows	2.0%	2.0%

The discount rate applied represents a post-tax rate that reflects the market assessment of the time value of money at the end of the period and the risks specific to the Group.

The estimated recoverable amount of the Group's businesses exceeds their carrying values by £41.0m (199%) (2021- £67.6 million (412%)). If the assumptions used in the impairment review were changed to a greater extent than as presented in the following table, the changes would, in isolation, lead to an impairment loss being recognised for the period ended 31 December 2022.

	Change required for carrying value to equal recoverable amount	
	2022	2021
Post-tax adjusted discount rate	>100%	65.0%
Five-year CAGR in adjusted EBITDA to December 2027	10%	4%
Long-term growth rate of net operating cash flows	-79.6%	-37.0%

Management considered the following reasonably possible changes in the key adjusted EBITDA and long-term growth rate assumptions, leaving all other assumptions unchanged. The sensitivity analysis presented below is prepared on the basis that the reasonably possible change in each key assumption would not have a consequential impact on other assumptions used in the impairment review.

Management believes that no reasonably possible or foreseeable change in any of the above key assumptions would cause the difference between the carrying value and recoverable amount for any cash-generating unit to be materially different to the base case disclosed below.

	Recoverable amount less carrying value
	2022
	£m
Base case at 31 December 2022	41.0
Change in 5-year CAGR in adjusted EBITDA to December 2027	
Decrease by 2pp	30.8
Increase by 2 pp	50.6
Change in long term growth rate of net operating cash flows	
Decrease by 2pp	32.6
Increase by 2 pp	54.1
Change in pre-tax adjusted discount rate	
Decrease by 2pp	61.5
Increase by 2 pp	28.0

13. Intangible assets

	Internally generated Enterprise	Brand	Customer relationships	Total
	£	£	£	£
Cost				
At 01 January 2021	1,139,300	1,114,000	14,843,000	17,096,300
Additions	373,810	-	-	373,810
Foreign currency difference	(34,740)	-	-	(34,740)
At 31 December 2021	1,478,370	1,114,000	14,843,000	17,435,370
Arising on acquisition	-	-	8,894,620	8,894,620
Additions	650,903	-	-	650,903
At 31 December 2022	2,129,273	1,114,000	23,737,620	26,980,893
Amortisation				
At 01 January 2021	152,653	79,000	1,610,000	1,841,653
Amortisation for the year	92,579	131,467	1,594,675	1,818,721
At 31 December 2021	245,232	210,467	3,204,675	3,660,374
Impairment charge	147,254	-	-	147,254
Amortisation for the year	454,019	131,989	1,896,799	2,482,807
At 31 December 2022	846,505	342,456	5,101,474	6,290,435
Net book Value				
At 31 December 2022	1,282,768	771,544	18,636,146	20,690,458
At 31 December 2021	1,233,138	903,533	11,638,325	13,774,996

Amortisation has been included within administration expenses in the consolidated statement of comprehensive income.

The Group reviews its intangible assets annually for indicators of impairment, or more frequently if there are indications that such intangible assets might be impaired.

14. Property, plant and equipment

	Leasehold improvements	Computer equipment	Fixture and fittings	Total
	£	£	£	£
Cost				
At 01 January 2021	86,202	736,920	210,243	1,033,365
Foreign exchange	-	(38,757)	-	(38,757)
Additions	-	283,686	-	283,686
At 31 December 2021	86,202	981,849	210,243	1,278,294
Additions	-	110,205	44,307	154,512
Acquired in business combinations	-	6,954	45,798	52,752
Foreign exchange	(803)	26,562	7,856	33,615
At 31 December 2022	85,399	1,125,570	308,204	1,519,173
Depreciation				
At 01 January 2021	35,568	631,544	133,963	801,075
Charge for the year	4,384	111,132	17,046	132,562
At 31 December 2021	39,952	742,676	151,009	933,637
Charge for the year	5,829	129,126	14,070	149,025
Foreign exchange	(2,070)	16,889	4,185	19,004
At 31 December 2022	43,711	888,691	169,264	1,101,666
Net book Value				
At 31 December 2022	41,688	236,879	138,940	417,507
At 31 December 2021	46,250	239,173	59,234	344,657

15. Right of use leases

Lease assets

	Property £	Total £
Cost		
At 01 January 2021	3,034,106	3,034,106
Disposals	(353,987)	(353,987)
Exchange difference	(208,099)	(208,099)
At 31 December 2021	2,472,020	2,472,020
Arising on acquisition	159,140	159,140
Lease modifications	585,957	585,957
Disposals	(293,759)	(293,759)
Exchange difference	58,705	58,705
At 31 December 2022	2,982,063	2,982,063
Depreciation		
At 01 January 2021	457,394	457,394
Charge for the year	546,847	546,847
At 31 December 2021	1,004,241	1,004,241
Charge for the year	501,003	501,003
Disposals	(293,759)	(293,759)
Exchange difference	(43,911)	(43,911)
At 31 December 2022	1,167,574	1,167,574
Net book value		
At 31 December 2022	1,814,489	1,814,489
At 31 December 2021	1,467,779	1,467,779

Right-of-use assets relate to property leases held by the Group. The interest charge on right-of-use assets has been included in finance costs within Note 8 and the charge for amortisation included in the table above. The amortisation charge in the year is included within administrative expenses.

Lease liabilities

	2022 £	2021 £
Current	319,828	463,190
Non-current	1,622,637	1,491,941
	1,942,465	1,955,131

Amounts recognised in the statement of profit or loss	2022 £	2021 £
Depreciation	501,003	546,847
Interest expense	77,005	86,040
Short term lease expense	163,609	212,140
Low value lease expense	-	6,511

The total cash outflow for leases during the financial year was £560,969 (2021 - £268,834).

Of the five property leases making up the above right-of-use assets none of them have extension options or termination penalties and management expect to see out the full lease durations. Three of them have rental payments that are increased in later years through inflation.

Lease payments not recognised as a liability
The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets (<£25,000). Payments made under such leases are expensed on a straight-line basis.

16. Trade and other receivables

	2022 £	2021 £
Trade receivables	4,390,190	3,403,260
Provisions for impairment	-	(193,550)
Trade receivables - net	4,390,190	3,209,710
Accrued income	414,790	35,140
Prepayments	1,695,921	850,097
Other receivables	123,935	74,704
	6,624,836	4,169,651

Information about the impairment of trade receivables and the Group's exposure to credit risk and foreign currency risk can be found in note 25.

17. Cash and cash equivalents

	2022 £	2021 £
Cash and cash equivalents	3,268,835	2,232,517

18. Trade and other payables

	2022 £	2021 £
Trade payables	882,275	969,414
Other taxation and social security	1,032,404	940,569
Accruals	1,786,401	1,335,568
Other payables	23,552	41,537
	3,724,632	3,287,088

19. Borrowings

	2022 £	2021 £
Current liabilities		
Loan facilities net of borrowing costs	2,006,942	412,960
Mango loan notes	1,068,616	-
	3,075,558	412,960
Non current liabilities		
In more than one year but not more than two years		
Loan facilities net of borrowing costs	2,085,937	494,067
Mango loan notes	-	1,110,190
In more than one year but not more than two years		
Loan facilities net of borrowing costs	20,403,064	13,909,658
	22,489,001	15,513,915
Total borrowings	25,564,559	15,926,875

On establishment of the Group in November 2019, £16 million of Senior Loan Facilities were drawn down to finance the acquisitions of Ascent Malta, Purepoint & TechHuddle. In 2022 an additional £10m was drawn down on the acquisition facility to finance the acquisitions of Bild Analytics and Tekaris.

The Mango loan notes were issued as part of the Mango acquisition in 2020.

Available facilities include a Revolving Credit Facility of £1.5 million.

Senior bank loan	Effective interest rate	Maturity	2022 £	2021 £
Facility A	SONIA + 3.50% to +4.25% margin	Quarterly repayments until Nov 2025	2,075,000	2,600,000
Facility B	SONIA + 4.50% to +5.00% margin	Nov 2025	12,800,000	12,800,000
Acquisition Facility	SONIA + 3.75% to +4.50% margin	Nov 2025	10,065,250	-
Revolving Credit Facility	SONIA + 3.50% to +4.25% margin	Nov 2025	-	-
Facility utilised			24,940,250	15,400,000

Security for the Senior liabilities takes the form of debentures giving fixed and floating charges over the assets of certain Group undertakings which have acceded to a cross-guarantee structure.

During the year the Group has incurred issue costs amounting to £nil (2021: £765,814) in respect of these facilities. Interest is allocated against the balance outstanding and the costs plus interest are allocated to the income statement over the term of the facility using the straight line method.

At 31 December 2022, the loan notes and loan facilities have a remaining term of between 3 months and 3 years. The Revolving Credit facility will assist the Group to achieve its growth ambitions both organically and by further acquisitions.

20. Analysis of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Liabilities from financing activities		
	Borrowings £	**Leases £**	**Sub total £**
Net debt at 31 December 2021	15,926,875	1,955,131	17,882,006
Cashflows:			
Repayment	(1,525,000)	(560,969)	(2,085,969)
Proceeds	10,065,250	-	10,065,250
Non-cash:			
Amortisement of debt arrangement fees	130,933	-	130,933
Fair value adjustment	974,252	-	974,252
Lease acquired in business combination	-	159,140	159,140
Lease modification	-	585,957	585,957
Interest accrual	8,075	77,005	85,080
Foreign exchange differences	(15,826)	(273,799)	(289,625)
Net debt at 31 December 2022	25,564,559	1,942,465	27,507,024

	Liabilities from financing activities		
	Borrowings	Leases	Sub total
	£	£	£
Net debt at 31 December 2020	15,106,812	2,700,011	17,806,823
Cashflows:			
Repayment	(425,000)	(268,834)	(693,834)
Proceeds	1,245,063	-	1,245,063
Non-cash:			
Lease modification (Disposal and exchange fluctuation)	-	(562,086)	(562,086)
Interest accrual	-	86,040	86,040
Net debt at 31 December 2021	15,926,875	1,955,131	17,882,006

21. Financial Instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Cash and short-term deposits
- Trade and other receivables
- Trade payables
- Accrued interest
- Accruals
- Lease liabilities
- Loans and borrowings

Financial assets at amortised cost	2022 £	2021 £
Cash and cash equivalents	3,268,835	2,232,517
Contract assets	414,790	35,140
Trade and other receivables	4,514,125	3,284,414
	8,197,750	5,552,071

Financial liabilities at amortised cost	2022 £	2021 £
Trade payables	882,275	969,414
Accruals	1,786,401	1,335,568
Lease liabilities	1,942,465	1,955,131
Other liabilities	23,552	41,537
Borrowings	25,564,559	15,926,875
	30,199,252	20,228,525

	2022	2021
Financial liabilities at fair value through profit or loss	£	£
Deferred consideration	172,946	-
Contingent consideration	2,932,426	-
	3,105,372	-

Financial assets and liabilities not measured at fair value
Financial assets and liabilities not measured at fair value includes cash and short-term deposits.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates to their fair value.

Loans and borrowings are carried at amortised cost which approximates to their fair value.

Financial instruments at fair value
The table below analyses financial instruments carried at fair value by valuation method. Accounting standards require us to disclose them into different levels as follows:

- Level 1 - Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Fair values measured using inputs, other than quoted prices included within level 1, that are observable for the asset or liability either directly (from prices) or indirectly (derived from prices)
- Level 3 - Fair values measured using inputs for the asset or liability that are not based on observable market data

	At 31 December 2022			
	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value	£	£	£	£
Deferred consideration	-	-	172,946	172,946
Contingent consideration	-	-	2,932,426	2,932,426
	-	-	3,105,372	3,105,372

	At 31 December 2021			
	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value	£	£	£	£
Deferred consideration	-	-	-	-
	-	-	-	-

Deferred consideration arises when settlement of all or part of the cost of a business combination falls due after the date the acquisition was completed, usually through an earn-out based on post-acquisition performance and is stated at the fair value of the total consideration outstanding.

At 31 December 2022, the deferred and contingent consideration payable on the Bild acquisition of £1,855k is based on meeting a meeting a specified EBITDA threshold for FY22, which was achieved.

The deferred and contingent consideration payable on the Tekaris acquisition of £1,250k is based on maintaining a minimum gross margin level through to December 2024. The fair value of deferred consideration was assessed using actual performance to date against earn-out targets together with an assessment of future financial performance based on the Group's approved budget.

22. Financial risk management

The Group's principal financial liabilities comprise loans and borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group has exposure to the following risks from its use of financial instruments:
- credit risk
- liquidity risk
- interest rate risk
- foreign currency risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk
Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from clients. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The largest customer in the Group represents 8% of revenue.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

Trade receivables
The Group's credit risk on trade and other receivables is primarily attributable to trade receivables. The Group considers the credit quality of trade and other receivables collectively and believes that the carrying value of the trade and other receivables that is disclosed in the financial statements gives a fair presentation of the credit quality of the assets. The Directors estimate that the carrying value of financial assets within trade and other receivables approximated to their fair value.

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored for collectability. The Directors believe there is a low risk of default due to the high number of recurring customers and credit control policies; thus, the carrying value is expected to be the final value received. The Group has no significant concentrations of credit risk since the risk is spread over a number of unrelated counterparties.
Total trade receivables from contracts with customers (net of allowances) held by the Group at 31 December 2022 amounted to £4,390,190 (2021 - £3,209,710). The gross trade receivables from contracts with customers at 31 December 2022 amounted to £4,390,190 (2021: £3,403,260) and the ECL reserve for the same is £nil (2021: £193,550).

The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Liquidity risk
The Group manages its exposure to liquidity risk by reviewing the cash resources required to meet its business objectives through both short and long-term cash flow forecasts. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other borrowings. The Group's treasury function has a policy of optimising the level of cash in the businesses in order to minimise external borrowings.
The maturity profile of the anticipated future cash flows including interest in relation to the Group's non-derivative financial liabilities on an undiscounted basis which, therefore, differs from both the carrying value and fair value, is as follows:

	Less than one year	**Between 1-2 years**	**Between 2-5 years**	**More than 5 years**	**Total contractual cash flows**	**Carrying amount of liabilities**
At 31 December 2022	**£**	**£**	**£**	**£**	**£**	**£**
Trade and other payables	882,275	-	-	-	882,275	882,275
Accruals	1,786,401	-	-	-	1,786,401	1,786,401
Borrowings	2,227,439	3,174,252	20,615,250	-	26,016,941	25,564,559
Lease liabilities	315,140	354,711	953,968	394,001	2,017,820	1,942,465

At 31 December 2021	Less than one year £	Between 1-2 years £	Between 2-5 years £	More than 5 years £	Total contractual cash flows £	Carrying amount of liabilities £
Trade and other payables	1,010,951				1,010,951	1,010,951
Accruals	1,335,568	-	-	-	1,335,568	1,335,568
Borrowings	540,955	625,000	15,344,235	-	16,510,190	15,926,875
Lease liabilities	527,982	568,897	572,987	609,827	2,279,693	1,955,131

The current Senior loan facility of £24.5 million (2021 - £15.4 million) (see note 18) includes a leverage covenant which required the leverage (the ratio of Senior Debt to Adjusted EBITDA) at the year end to not exceed 5.1x (2021 - 4.08x). At year end the leverage was substantially below this level at 4.01x. (2021 - 3.10x).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency) and the Group's net investments in foreign subsidiaries.

The Group's exposure to foreign currency risk at the reporting date, expressed in Currency Units, was as follows:

At 31 December 2022	GBP £	EUR £	BGN £	USD £
Trade receivables	3,063,724	1,025,313	-	301,153
Trade payables	361,773	412,322	18,390	89,790
Cash and cash equivalents	1,480,110	1,661,905	98,546	28,273
Lease liabilities	-	1,942,465	-	-
Borrowings	25,564,559	-	-	-

Sensitivity analysis

Financial instruments affected by interest rate and foreign currency risks include borrowings and derivative financial instruments.

The following analysis is intended to illustrate the sensitivity to changes in market variables, being Sterling interest rates and Sterling/Euro & Sterling/Lev exchange rates.

The sensitivity analysis assumes reasonable movements in foreign exchange and interest rates before the effect of tax. The Group considers a reasonable interest rate movement in LIBOR to be 0.25%, based on interest rate history. Similarly, sensitivity to movements in Sterling/Euro & Sterling/Lev of 10% are shown reflecting changes of reasonable proportion in the context of movement in that currency pairs over the last year.

Using the above assumptions, the following table shows the illustrative effect on the Consolidated income statement and equity.

	Income (losses)/gains	Equity (losses)/gains
0.25% increase in market interest rates	(1,187,105)	(1,187,105)
0.25% decrease in market interest rates	237,421	237,421
10% strengthening of sterling versus other currencies	245,611	245,611
10% weakening of sterling versus other currencies	(245,611)	(245,611)

23. Deferred taxation

	2022 £	2021 £
Balance as at 1 January	3,276,552	2,654,787
On acquisition balances	2,744,263	-
Adjustment in respect of prior years	7,082	2,715
Deferred tax recognised in the income statement	(859,752)	619,050
Balance as at 31 December	5,168,145	3,276,552
Consisting of:		
Fixed assets	3,245	(7,162)
Temporary differences trading/non trading	5,533,934	3,483,770
Losses	(369,034)	(200,056)
Balance as at 31 December	5,168,145	3,276,552
Unrecognised deferred tax		
Losses	(63,490)	(63,490)

24. Share capital

Class	Nominal value	31 December 2022 Number	31 December 2022 £	31 December 2021 £
A Ordinary shares[1]	£0.01	356,195	3,562	3,562
A Preference shares[2]	£0.01	8,803,097	88,031	88,031
B Ordinary shares[3]	£0.01	139,379	1,394	1,394
C1 Ordinary shares[4]	£0.01	102,210	1,022	1,022
C2 Ordinary shares[5]	£0.01	12,390	124	124
C3 Ordinary shares	£0.01	12,389	124	0
		9,425,660	94,257	94,133

Treasury Shares	(217)	(62)
Share Premium	9,236,121	9,281,615
Merger Reserve	5,394,520	5,394,520
Total share capital issued & allotted	14,724,681	14,770,206

On incorporation the Company issued 1 ordinary share of £1 at par. On 14th November 2019, this ordinary share was redesignated as an A ordinary share and then this A ordinary share was sub-divided into 100 A ordinary shares of £0.01 each.

On 29th November 2019, a further 356,095 A ordinary £0.01 shares were issued at £1 each. Also, on this date 8,803,097 A preference £0.01 shares were issued at £1 each, 139,379 B ordinary £0.01 shares were issued at £38.71 each, 96,016 C1 ordinary £0.01 shares were issued for £3.23 each and 12,390 C2 ordinary £0.01 shares were issued at £3.23 each.

On 27th February 2020, a further 3,097 C1 ordinary £0.01 shares were issued for £3.23 each.

On 1st September 2020, a further 3,097 C1 ordinary £0.01 shares were issued for £3.23 each.

On 4th May 2021, the Company paid £10,000 and 3,097 C1 ordinary shares were placed into treasury (2020 - 17th December 2020, the Company paid £10,000 and 3,097 C1 ordinary shares were placed into treasury).

On 19th May 2022, 12,389 C3 ordinary £0.01 shares were issued for £3.23 each.
On 19th May 2022, the Company paid £30,000 and 9,291 C1 ordinary shares were placed into treasury.
On 14th December 2022, the company paid £55,525 and 6195 C1 ordinary shares were placed into treasury.

[1] One vote per share. Each share ranks equally for any distribution made on a winding up. Provides a right to dividends and a right to capital. The shares are not redeemable.
[2] No voting rights. Each share ranks equally for any distribution made on a winding up. Provides a right to dividends and a right to capital. The shares are redeemable.
[3] One vote per share. Each share ranks equally for any distribution made on a winding up. Provides a right to dividends and a right to capital. The shares are not redeemable.

[4] One vote per share. Each share ranks equally for any distribution made on a winding up. Provides a right to dividends and a right to capital. The shares are not redeemable.
[5] One vote per share. Each share ranks equally for any distribution made on a winding up. Provides a right to dividends and a right to capital. The shares are not redeemable.

25. Reserves

Share premium
Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Merger reserve
Merger reserve has arisen as a result of the Company issuing shares in consideration for the shares of acquired companies in the year.

Foreign exchange reserve
Gain/losses arising on retranslating the net assets of overseas operations into pounds sterling.

Retained earnings
All other net gains and losses and transactions with owners not recognized elsewhere.

Non-controlling Interests
Amounts not attributable to shareholders of the Parent Company.

26. Acquisitions during the year

On 31 March 2022 the Group purchased 100% of the share capital of Bild Analytics, LDA. for a combination of cash, deferred and contingent consideration.

On 27 July 2022 the Group purchased 75% of the share capital of Tekaris GmbH for a combination of cash and loan notes. The Group will have the option to purchase the remaining shares in future subject to certain conditions. Part of the original consideration (£755,000) was contingent on the Directors remaining employed by Tekaris, so has been treated as remuneration in advance and is not included in the fair value of the consideration below.

The contingent consideration on Tekaris will have a maximum value of 1.9 million Euros and a minimum value of nil and will crystallise at 31 December 2024. Management consider it extremely unlikely that the contingent consideration will be materially less than its maximum value.

	Bild	Tekaris GmbH	Total
	£	£	£
Fair value of consideration transferred			
Amount settled in cash	851,120	5,956,190	6,807,310
Deferred consideration	163,415	-	163,415
Contingent consideration	1,375,410	1,072,826	2,448,236
Total	2,389,945	7,029,016	9,418,961
Transaction costs included in administrative expenses	105,439	453,505	558,944

Recognised amounts of identifiable net assets:	Bild £	Tekaris GmbH £	Total £
Goodwill	1,420,031	2,306,524	3,726,555
Intangible assets – customer relationships	1,093,689	7,800,931	8,894,620
Property, plant and equipment	5,757	46,995	52,752
ROU lease assets	-	159,140	159,140
Deferred tax asset	19,623	-	19,623
Total non-current assets	2,539,100	10,313,590	12,852,690
Trade and other receivables	297,878	1,636,246	1,934,124
Cash	18,115	379,418	397,533
Total current assets	315,993	2,015,664	2,331,657
Trade and other payables	(224,620)	(577,132)	(801,752)
Current lease liabilities	-	(159,140)	(159,140)
Current tax	(10,853)	(40,865)	(51,718)
Total current liabilities	(235,473)	(777,137)	(1,012,610)
Provisions	-	(398,033)	(398,033)
Deferred tax	(229,675)	(2,550,904)	(2,780,579)
Total non-current liabilities	(229,675)	(2,948,937)	(3,178,612)
NCI on acquisition	-	(1,574,164)	(1,574,164)
Identifiable net assets at fair value	2,389,945	7,029,016	9,418,961

The goodwill arising on acquisition is attributable to Bild Analytics being a successful and rapidly expanding Data Engineering and Business Intelligence services house and to Tekaris being a successful and well-established software development house.

	Bild Analytics, LDA £	Tekaris GmbH £	Total £
Net cash outflow on acquisition of subsidiary			
Consideration paid in cash	851,120	5,956,190	6,807,310
Less: cash and cash equivalent balances acquired	(18,115)	(379,418)	(397,533)
Total	833,005	5,576,772	6,409,777

Post-acquisition contribution

The revenue and profit contribution of the acquisitions to the Group's results for the year acquired are as follows:

	Revenue	Profit
Bild Analytics, LDA	920,490	504,776
Tekaris GmbH	3,040,682	415,561

If the acquisition of Bild Analytics had taken place at the beginning of the year, revenue from continuing operations for the Group would have been £376,393 higher and profit before tax from continuing operations for the Group would have been £83,975 higher.

If the acquisition of Tekaris had taken place at the beginning of the year, revenue from continuing operations for the Group would have been £4,369,132 higher and profit before tax from continuing operations for the Group would have been £1,002,318 higher.

27. Capital Management

The Group's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the Group's capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or amend its debt arrangements.

28. Related party transactions

The Group considers its material related parties to be its subsidiary undertakings and Executive Committee members. The Group has taken advantage of the exemption available under IAS 24, "Related Party Disclosures", not to disclose details of transactions with its subsidiary undertakings.
Compensation paid to key management by subsidiaries is disclosed in note 7.

Supplier transactions occurred during the year between the Group and Horizon Capital LLP. Transactions relate to providing the services of the Directors, office rent and recharged costs associated with acquisitions in the year. During the year ended 31 December 2022, £224,924 (2021 - £150,000) related to these transactions was charged through administrative expenses. There were outstanding amounts payable of £6,000 as at 31 December 2022 (2021 - £180,000).

Sales transactions occurred between the Group and Agilico Bidco Ltd, a company that shares a common Director with the Group. Sales amounting to £132,934 (2021 - nil) were recognised in revenue. There were outstanding amounts receivable as at 31 December 2022 of £10,144 (2021 - nil)

29. Post Balance sheet events

The business received £1.5m additional preference share funding in June 2023 to part fund earn out payments.

30. Controlling party

According to the register maintained by the Company, a number of limited partnerships which are managed by Horizon Capital LLP (holding through a nominee company) held a significant interest in the ordinary shares of the Company as at 31 December 2022 and subsequently to the date of approval of the financial statements. The Directors deem there not to be an ultimate controlling party as none of the limited partners in the limited partnerships managed Horizon Capital LLP has an ownership of more than 20% of the issued share capital of the Company.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Assets			
Non-current			
Investments		1	1
Total non-current assets		1	1
Current assets			
Trade and other receivables		16,395,726	14,895,205
Cash and cash equivalents		-	-
Total current assets		16,395,726	14,895,205
Liabilities			
Current liabilities			
Trade and other payables		(196,325)	(125,000)
Total current liabilities		(196,325)	(125,000)
Non-current liabilities			
Trade and other payables		-	-
Total non-current liabilities		-	-
Net assets		16,199,402	14,770,206
Capital and reserves			
Share capital		94,257	94,133
Share premium		9,236,121	9,281,615
Treasury shares		(217)	(62)
Merger reserve		5,394,520	5,394,520
Retained earnings		1,474,721	-
		16,199,402	14,770,206

The notes on pages 58 to 62 form part of these financial statements.
Profit for the year was £1,471,721.

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

CRBates

Christopher Bates
Director 27/9/2023
Date
Company no: 12068263

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Share premium £	Treasury share reserve £	Merger reserve £	Retained Earnings £	Total Equity £
Balance at 1 January 2021	94,133	9,291,584	(31)	5,394,520	-	14,780,206
Comprehensive income:						
Loss for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Transactions with owners in their capacity as owners:						
Repurchase of own shares	-	(9,969)	(31)	-	-	(10,000)
Total transactions with owners in their capacity as owners	-	(9,969)	(31)	-	-	(10,000)
Balance at 31 December 2021	94,133	9,281,615	(62)	5,394,520	-	14,770,206
Comprehensive income:						
Profit for the year	-	-	-	-	1,474,721	1,474,721
Total comprehensive income for the year	-	-	-	-	1,474,721	1,474,721
Transactions with owners in their capacity as owners:						
Issue of shares	124	39,876	-	-	-	40,000
Repurchase of own shares	-	(85,370)	(155)	-	-	(85,525)
Total transactions with owners in their capacity as owners	124	(45,494)	(155)	-	-	(45,525)
Balance at 31 December 2022	94,257	9,236,121	(217)	5,394,520	1,474,721	16,199,402

The notes on pages 58 to 62 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. Corporate information

Aspire Topco Limited is a private company, limited by shares, registered in England and Wales, registration number 12068263. The registered office is Desklodge House, Redcliffe Way, Bristol, BS1 6NL.

2. Significant accounting policies

The significant accounting policies that have been applied consistently to all periods presented, unless otherwise stated, in the preparation of these financial statements are summarised below.

Basis of preparation
The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Financial reporting standard 101 - Reduced disclosure exemptions
The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS

36 Impairment of Assets.

As permitted by section 408 of Companies Act 2006, a separate Income Statement for the Company has not been included in these financial statements. The Company's profit for the year ended 31 December 2022 was £1,474,721 (2021: £nil).

Going concern
Liquidity is managed at Group level using long-term Group bank facilities. Access to this cash is made available as needed to ensure the business remains a going concern.

The Directors have considered the effects of recent macro-economic developments of rising inflation and interest rates including the impact of recent trading results on the Group and Company for the year ended 31 December 2023. The strong Group and Company liquidity position coupled with a robust trading position, mean the Group and Company are very stable from a profit perspective. At the time of approval of this report the Company's trading performance has remained in line with forecasts for the year ended December 2023. The business has received £1.5m additional preference share funding in June 2023. The business forecasts the Group financial performance out up to 12 months in advance from the date of approval of these financial statements to ensure that the Group's liquidity is maintained. The long-term repeat nature of many of the engagements with customers allows the business to accurately forecast revenue and cashflows. These forecasts are used to review compliance with our banking covenants. These forecasts and sales pipeline are reviewed by the board on a regular basis and are confident that the business will continue grow and meet its obligations.

Having considered these risks and the current uncertain economic environment, the Directors believe that the Company has adequate resources to continue in operational existence as a trading company for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Foreign currencies
Functional and presentation currency
The Company's functional and presentational currency is GBP.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

Investments
Investments in subsidiaries are measured at cost less accumulated impairment.

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

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

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

Financial instruments
Financial assets and liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provision of the instrument.

Financial assets are unrecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is unrecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Trade payables
Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

3. Employees
The Company has no employees other than the Directors, who did not receive any remuneration (2021: £Nil)

4. Investments

	Investments in subsidiary companies £
Cost	
At 01 January 2021	1
Additions	-
At 31 December 2021	1
Additions	-
At 31 December 2022	1

The Company's subsidiaries are detailed in note 10 to the consolidated Group financial statements.

5. Trade and other receivables

	2022 £	2021 £
Amounts owed by Group undertakings	16,395,726	14,895,205
Total trade and other receivables	16,395,726	14,895,205

Group loans have no fixed term and incur interest of 10% annually.

6. Trade and other payables

	2022 £	2021 £
Amounts owed to Group undertakings	180,525	125,000
Accruals	15,800	-
Total trade and other payables	196,325	125,000

The Company has entered into a cross-guarantee in favour of its bankers in respect of loan facilities granted to the Aspire Topco Group. The debt is secured by way of a fixed and floating charge on the assets of the Group. At the year end, the net debt of other Group companies (after netting off credit balances under a right of set off) subject to the cross-guarantee totalled £23,501,935.

7. Share capital

Class	Nominal value	31 December 2022 Number	31 December 2022 £	31 December 2021 £
A Ordinary shares[1]	£0.01	356,195	3,562	3,562
A Preference shares[2]	£0.01	8,803,097	88,031	88,031
B Ordinary shares[3]	£0.01	139,379	1,394	1,394
C1 Ordinary shares[4]	£0.01	102,210	1,022	1,022
C2 Ordinary shares[5]	£0.01	12,390	124	124
C3 Ordinary shares	£0.01	12,389	124	-
		9,425,660	94,257	94,133
Treasury Shares			(217)	(62)
Share Premium			9,236,121	9,281,615
Merger Reserve			5,394,520	5,394,520
Total share capital issued & allotted			14,724,681	14,770,206

Details of the Company's share capital is provided in note 23 to the consolidated financial statements.

8. Reserves

Retained earnings
Includes cumulative profits and losses and all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.