

Company Registration No. 13077992 (England and Wales)

CHAUCER NEWCO LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

CHAUCER NEWCO LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 6

CHAUCER NEWCO LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	3		16,348,494		13,840,244
Current assets					
Debtors	4	13		12	
Creditors: amounts falling due within one year	5	(3,517,623)		(2,736,641)	
Net current liabilities			(3,517,610)		(2,736,629)
Total assets less current liabilities			12,830,884		11,103,615
Creditors: amounts falling due after more than one year	6		(13,088,720)		(10,181,638)
Net (liabilities)/assets			(257,836)		921,977
Capital and reserves					
Called up share capital	7		10		10
Profit and loss reserves			(257,846)		921,967
Total equity			(257,836)		921,977

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 19 September 2023 and are signed on its behalf by:

S Appavoo
Director

Company Registration No. 13077992

CHAUCER NEWCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Chaucer Newco Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Gough Square, 3rd Floor, London, EC4A 3DE, United Kingdom.

1.1 Accounting convention

These financial statements for the year ended 31 December 2022 are the first financial statements of Chaucer Newco Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 11 December 2020. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group, of which this is the parent, qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.4 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CHAUCER NEWCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was nil (2021: nil).

3 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	16,348,494	13,840,244

CHAUCER NEWCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3	Fixed asset investments	(Continued)	
	Movements in fixed asset investments		Shares in group undertakings
			£
	Cost or valuation		
	At 1 January 2022		13,840,244
	Additions		2,508,250
			<hr/>
	At 31 December 2022		16,348,494
			<hr/>
	Carrying amount		
	At 31 December 2022		16,348,494
			<hr/>
	At 31 December 2021		13,840,244
			<hr/>
4	Debtors	2022	2021
		£	£
	Amounts falling due within one year:		
	Trade debtors	3	3
	Other debtors	10	9
		<hr/>	<hr/>
		13	12
		<hr/>	<hr/>
5	Creditors: amounts falling due within one year	2022	2021
		£	£
	Amounts owed to group undertakings	387,236	10,713
	Other creditors	3,130,387	2,725,928
		<hr/>	<hr/>
		3,517,623	2,736,641
		<hr/>	<hr/>

Amounts due to group undertakings are unsecured and interest free.

Included within other creditors is deferred consideration of £2,727,188 (2021:£2,725,926) relating to the acquisition of Reeves + Noylan Financial Services Limited and £403,196 (2021:£nil) relating to the acquisition of Tarvos Wealth Limited. See note 8 for further details.

CHAUCER NEWCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to group undertakings	11,180,498	6,371,322
Other creditors	1,908,222	3,810,316
	<u>13,088,720</u>	<u>10,181,638</u>

Included within amounts owed to group undertakings are redeemable loans notes of £11,180,498 (2021: £6,371,322). The loan notes attract interest at 8% per annum and mature in 2027.

Included within other creditors are redeemable loan notes of £1,376,000 (2021: £1,280,000). The loan notes attract interest at 8% per annum for the first 5 years from 2 March 2021, and 10% per annum thereafter.

Included within other creditors is deferred consideration of £nil (2021: £2,530,316) relating to the acquisition of Reeves + Neylan Financial Services Limited. The total undiscounted deferred consideration is £5,520,000 payable in two annual instalments from twelve months after the date of acquisition. The future value of the deferred consideration has been calculated using a discount rate of 8%. The difference between the present value at acquisition and the total undiscounted deferred consideration is recognised as a finance charge between the date of acquisition and the expected date of settlement. As at 31 December 2022, £2,760,000 of the total undiscounted deferred consideration has been paid.

Included within other creditors is deferred consideration of £532,222 (2021: £nil) relating to the acquisition of Tarvos Wealth Limited. The total undiscounted deferred consideration is £998,750 payable in two annual instalments from twelve months after the date of acquisition. The future value of the deferred consideration has been calculated using a discount rate of 8.5%. The difference between the present value at acquisition and the total undiscounted deferred consideration is recognised as a finance charge between the date of acquisition and the expected date of settlement.

7 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and not fully paid				
Ordinary A shares of 1p each	900	900	9	9
Ordinary B shares of 1p each	100	100	1	1
	<u>1,000</u>	<u>1,000</u>	<u>10</u>	<u>10</u>

On 11 December 2020, the company was incorporated and 1 ordinary share was issued for £1.

On 1 March 2021, 8 ordinary shares were allotted at a value of £1 per share. The total share capital was sub-divided into 900 ordinary shares with a nominal value of £0.01 per share.

On 2 March 2021, 100 ordinary B shares were allotted at a nominal value of £0.01 per share.

8 Financial commitments, guarantees and contingent liabilities

On 2 March 2021, the company entered into a cross guarantee and debenture of the bank borrowings of a fellow group company. At 31 December 2022, the company's maximum potential liability under this arrangement was £7,161,889 (2021: £5,291,350).

CHAUCER NEWCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Parent company

At 31 December 2022, the immediate parent undertaking is Craven Street Wealth Limited, a company registered in England and Wales with a registered number of 13077997. Craven Street Wealth Limited has a registered office address of 3 Gough Square, 3rd Floor, London, EC4A 3DE.

The ultimate and controlling party as at 31 December 2022 is Craven Street Capital Holdings Limited, a company registered in England and Wales with a registered number of 10506184. Craven Street Capital Holdings Limited has a registered office address of 3 Gough Square, 3rd Floor, London, EC4A 3DE. Craven Street Capital Holdings Limited is the smallest and largest group to consolidate these financial statements as at 31 December 2022.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.