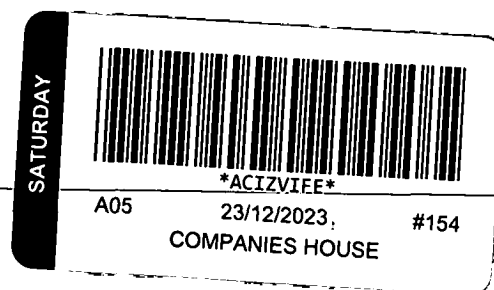


Hamsard 3669 Limited
Consolidated Financial Statements
For the Period Ended
30 April 2023

BEEVER AND STRUTHERS

Chartered accountants & statutory auditor

One Express
1 George Leigh Street
Manchester
M4 5DL



Hamsard 3669 Limited
Consolidated Financial Statements
Year Ended 30 April 2023

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Hamsard 3669 Limited

Strategic Report

Year Ended 30 April 2023

Introduction

The Directors present their Strategic Report for the financial period ended 30 April 2023.

Business Review

The Company was incorporated in England and Wales on 18 March 2022 and acquired BCN Topco Limited on 18 June 2022. As such Hamsard 3669 Limited is the ultimate holding company of the BCN Group, and will continue as such for the foreseeable future.

The principal activity of the Group in the year under review was that of IT support services, consultancy, application development and related solutions. The Group's track record of year on year sustained growth continued this financial year, leading to higher turnover and positive cash generation.

Future Developments

The Group will continue to be acquisitive, combining organic growth with growth by acquisition.

Principal Risks and Uncertainties

The process of risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the business and the Group finance department take on an important oversight role in this regard. The Audit Committee is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

The principal risks from our business arise largely from macro-economic issues such as cost inflation and general economic health. Cost inflation is mitigated by continuing to drive greater efficiencies and ensuring best pricing in supplier agreements. General economic risks are mitigated through a diverse customer base and varied routes to market.

Financial and Other Key Performance Indicators

The business operates a comprehensive KPI monitoring and monthly reporting regime to assess the ongoing performance of the business, covering sales, gross margin, costs, profitability, resource utilisation and cash generation measures.

In addition to optimising profitability, non-financial metrics are employed to monitor customer satisfaction and operational delivery.

Hamsard 3669 Limited

Strategic Report *(continued)*

Year Ended 30 April 2023

This report was approved by the board of directors on 20 December 2023 and signed on behalf of the board by:



Mr J D Llewellyn
Director

Registered office:
Second Floor
Building 4 Styal Road
Manchester Green
Manchester
M22 5LW

Hamsard 3669 Limited

Directors' Report

Year Ended 30 April 2023

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

Directors

The directors who served the company during the year were as follows:

Mr M A Braund	(Appointed 3 March 2023)
Mr R J Davies	(Appointed 18 June 2022)
Mr M D Keeley	(Appointed 9 June 2022)
Mr J D Llewellyn	(Appointed 18 June 2022)
Mr M K Lovell	(Appointed 18 June 2022)

Dividends

Particulars of recommended dividends are detailed in note 12 to the consolidated financial statements.

Greenhouse Gas Emissions and Energy Consumption

	Unit	2023
Emissions resulting from activities for which the group is responsible	tCO2e	103
Emissions resulting from the purchase of electricity by the group for its own use	tCO2e	104
Total emissions	tCO2e	207
Total energy consumption	kWh	<u>505,001</u>

Methodologies for Energy and Emissions Calculations

The information has been collated from the group's SECR Reports carried out by an in-house data specialist.

Electricity and gas data were compiled from billed data from supplier invoices.

Transport data is derived from mileage claims for company cars.

Principal Measures Taken to Increase Energy Efficiency

Reductions in business mileage through increased use of teleconferencing software and improved office lighting based on office usage.

Employment of Disabled Persons

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of the members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee Involvement

The group places considerable value on the involvement of its employees and has continued to keep them informed of matters affecting them as employees and on various factors affecting the performance of the group. This is achieved through regular contact through various departmental structures within the group.

Hamsard 3669 Limited

Directors' Report *(continued)*

Year Ended 30 April 2023

Going Concern

The Group reported a loss before tax of £19,941,694 and has net current liabilities of £11,972,434.

The Directors are required to prepare these financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility, the Directors have considered the Group's ability to meet its liabilities as they fall due for a period of at least twelve months from the signing date of the financial statements. The Directors did not identify any uncertainty that cast significant doubt about the liability of the Group and parent Company to continue as a going concern.

The Group has traded robustly through the last financial year and operates in a sector where the provision of remote computing and digital transformation services have seen continued demand throughout lockdown and the associated remote/home working. The Group has generated positive cash flows since the year end date and has continued to trade and win new business throughout 2023/24.

On that basis, Directors are satisfied that the Group and parent Company is able to continue in operation and meet its debts as they fall due for at least twelve months from the date of signing these financial statements and therefore the financial statements have been prepared on a going concern basis.

Disclosure of Information in the Strategic Report

Disclosures in respect of future developments and financial instruments have been included in the Strategic Report, as appropriate.

Directors' Responsibilities Statement

The directors are responsible for preparing the strategic report, directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Hamsard 3669 Limited

Directors' Report *(continued)*

Year Ended 30 April 2023

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 20 December 2023 and signed on behalf of the board by:



Mr J D Llewellyn
Director

Registered office:
Second Floor
Building 4 Styal Road
Manchester Green
Manchester
M22 5LW

Hamsard 3669 Limited

Independent Auditor's Report to the Members of Hamsard 3669 Limited

Year Ended 30 April 2023

Opinion

We have audited the consolidated financial statements of Hamsard 3669 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2023 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 consolidated financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the consolidated financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the consolidated 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 or the parent company's ability to continue as a going concern for a period of at least twelve months from when the consolidated 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.

Hamsard 3669 Limited

Independent Auditor's Report to the Members of Hamsard 3669 Limited *(continued)*

Year Ended 30 April 2023

Other Information

The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the consolidated 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.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated financial statements or a material misstatement of the other information. 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 consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on Which We are Required to Report by Exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company consolidated 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.

Hamsard 3669 Limited

Independent Auditor's Report to the Members of Hamsard 3669 Limited *(continued)*

Year Ended 30 April 2023

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Hamsard 3669 Limited

Independent Auditor's Report to the Members of Hamsard 3669 Limited *(continued)*

Year Ended 30 April 2023

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

To assist with identifying and assessing risks associated with material misstatements, including fraud and non compliance of laws and regulations, we carried out the following procedures:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experience of the industry and supply sector;
- we assessed the extent of compliance with the laws and regulations identified through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Hamsard 3669 Limited

Independent Auditor's Report to the Members of Hamsard 3669 Limited *(continued)*

Year Ended 30 April 2023

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the consolidated 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.

Beever and Struthers

Iain Round BSc FCA (Senior Statutory Auditor)

For and on behalf of
Beever and Struthers
Chartered accountants & statutory auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

20 December 2023

Hamsard 3669 Limited

Consolidated Statement of Comprehensive Income

Year Ended 30 April 2023

	Note	2023 £
Turnover	4	44,454,939
Cost of sales		<u>(22,452,383)</u>
Gross profit		22,002,556
Administrative expenses		<u>(29,152,179)</u>
Operating loss	5	(7,149,623)
Other interest receivable and similar income	9	(140)
Interest payable and similar expenses	10	<u>(12,791,931)</u>
Loss before taxation		(19,941,694)
Tax on loss	11	<u>6,234</u>
Loss for the financial year and total comprehensive income		<u>(19,935,460)</u>

All the activities of the group are from continuing operations.

The notes on pages 17 to 35 form part of these consolidated financial statements.

Hamsard 3669 Limited

Consolidated Statement of Financial Position

30 April 2023

	Note	2023 £
Fixed assets		
Intangible assets	13	162,303,103
Tangible assets	14	1,401,891
Investments	15	2,402
		<u>163,707,396</u>
Current assets		
Stocks	16	22,805
Debtors	17	12,769,168
Cash at bank and in hand		5,202,980
		<u>17,994,953</u>
Creditors: amounts falling due within one year	18	<u>(29,967,387)</u>
Net current liabilities		<u>(11,972,434)</u>
Total assets less current liabilities		<u>151,734,962</u>
Creditors: amounts falling due after more than one year	19	<u>(72,223,727)</u>
Provisions	21	<u>(3,015,548)</u>
Net assets		<u><u>76,495,687</u></u>
Capital and reserves		
Called up share capital	24	95,486,396
Share premium account	25	950,551
Profit and loss account	25	<u>(19,941,260)</u>
Shareholders funds		<u><u>76,495,687</u></u>

These consolidated financial statements were approved by the board of directors and authorised for issue on 20 December 2023, and are signed on behalf of the board by:



Mr J D Llewellyn
Director

Company registration number: 13986629

The notes on pages 17 to 35 form part of these consolidated financial statements.

Hamsard 3669 Limited
Company Statement of Financial Position
30 April 2023

	Note	2023 £
Current assets		
Debtors	17	96,447,531
Creditors: amounts falling due within one year	18	(8,089,713)
Net current assets		<u>88,357,818</u>
Total assets less current liabilities		<u>88,357,818</u>
Net assets		<u>88,357,818</u>
Capital and reserves		
Called up share capital	24	95,486,396
Share premium account	25	950,551
Profit and loss account	25	(8,079,129)
Shareholders funds		<u>88,357,818</u>

The loss for the financial year of the parent company was £8,079,129.

These consolidated financial statements were approved by the board of directors and authorised for issue on 20 December 2023, and are signed on behalf of the board by:



Mr J D Llewellyn
Director

Company registration number: 13986629

The notes on pages 17 to 35 form part of these consolidated financial statements.

Hamsard 3669 Limited
Consolidated Statement of Changes in Equity
Year Ended 30 April 2023

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 May 2022	–	–	–	–
Loss for the year	–	–	(19,935,460)	(19,935,460)
Total comprehensive income for the year	–	–	(19,935,460)	(19,935,460)
Issue of shares	95,486,396	950,551	–	96,436,947
Dividends paid and payable	12 –	–	(5,800)	(5,800)
Total investments by and distributions to owners	95,486,396	950,551	(5,800)	96,431,147
At 30 April 2023	<u>95,486,396</u>	<u>950,551</u>	<u>(19,941,260)</u>	<u>76,495,687</u>

The notes on pages 17 to 35 form part of these consolidated financial statements.

Hamsard 3669 Limited
Company Statement of Changes in Equity
Year Ended 30 April 2023

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 May 2022	—	—	—	—
Loss for the year	—	—	(8,079,129)	(8,079,129)
Total comprehensive income for the year	—	—	(8,079,129)	(8,079,129)
Issue of shares	95,486,396	950,551	—	96,436,947
Total investments by and distributions to owners	95,486,396	950,551	—	96,436,947
At 30 April 2023	<u>95,486,396</u>	<u>950,551</u>	<u>(8,079,129)</u>	<u>88,357,818</u>

The notes on pages 17 to 35 form part of these consolidated financial statements.

Hamsard 3669 Limited
Consolidated Statement of Cash Flows
Year Ended 30 April 2023

	2023 £
Cash flows from operating activities	
Loss for the financial year	(19,935,460)
<i>Adjustments for:</i>	
Depreciation of tangible assets	363,611
Amortisation of intangible assets	13,138,851
Other interest receivable and similar income	(140)
Interest payable and similar expenses	12,791,931
Loss on disposal of intangible assets	367
Tax on loss	(6,234)
<i>Changes in:</i>	
Stocks	147,854
Trade and other debtors	(1,899,118)
Trade and other creditors	(20,211,141)
Cash generated from operations	(15,609,479)
Interest received	140
Tax received	1,587,046
Net cash (used in)/from operating activities	<u>(14,022,293)</u>
Cash flows from investing activities	
Purchase of tangible assets	(773,148)
Purchase of intangible assets	(613,466)
Acquisition of subsidiaries	14,888,970
Net cash from investing activities	<u>13,502,356</u>
Cash flows from financing activities	
Proceeds from borrowings	5,750,000
Payments of finance lease liabilities	(21,283)
Dividends paid	(5,800)
Net cash from financing activities	<u>5,722,917</u>
Net increase in cash and cash equivalents	5,202,980
Cash and cash equivalents at beginning of year	–
Cash and cash equivalents at end of year	<u>5,202,980</u>

The notes on pages 17 to 35 form part of these consolidated financial statements.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements

Year Ended 30 April 2023

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Second Floor, Building 4 Styal Road, Manchester Green, Manchester, M22 5LW.

2. Statement of Compliance

These consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The Group reported a loss before tax of £19,941,694 and has net current liabilities of £11,972,434.

The Directors are required to prepare these financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility, the Directors have considered the Group's ability to meet its liabilities as they fall due for a period of at least twelve months from the signing date of the financial statements. The Directors did not identify any uncertainty that cast significant doubt about the liability of the Group and parent Company to continue as a going concern.

The Group has traded robustly through the last financial year and operates in a sector where the provision of remote computing and digital transformation services have seen continued demand throughout lockdown and the associated remote/home working. The Group has generated positive cash flows since the year end date and has continued to trade and win new business throughout 2023/24.

On that basis, Directors are satisfied that the Group and parent Company is able to continue in operation and meet its debts as they fall due for at least twelve months from the date of signing these financial statements and therefore the financial statements have been prepared on a going concern basis.

Disclosure Exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

3. Accounting Policies *(continued)*

Consolidation

The financial statements consolidate the results, assets, liabilities and cashflows of the parent company, Hamsard 3669 Limited, and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

3. Accounting Policies *(continued)*

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Positive goodwill arising and intangible assets acquired on each business combination are capitalised, classified as an asset on the Statement of Financial Position and amortised over their useful life. The Group establishes a reliable estimate of the useful life of goodwill and intangible assets. This is based on a variety of operational factors and the expected useful life of the cash generating units to which the asset is attributed. Where appropriate any legal, regulatory or contractual provisions that can limit that useful life are taken into consideration. The determination of whether goodwill should be impaired requires the estimation of future cash flows and growth rates. Discount rates are applied to these cashflows and are determined by reference to the markets in which they operate.
- The company assesses the carrying value of amounts due from Group companies annually or more frequently if warranted by a change in circumstances. Recoverability is dependent upon assumptions and judgements regarding future cash flows and profit margins.
- Determination of whether there are indicators of impairment of the Group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viabilities and expected future financial performance of the asset.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Determination of recoverability of trade debts. A specific provision is made against certain debts where in the opinion of the directors there is concern over the recoverability of the debts.

Revenue Recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Sale of goods

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

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

3. Accounting Policies *(continued)*

Revenue Recognition *(continued)*

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

Rendering of services

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

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

Turnover from re-sale of contracts is recognised when the significant risks and rewards of the contract have transferred to the third party who fulfil the contract.

Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign Currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

3. Accounting Policies *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Intangible Assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	Over its useful economic life of ten years
Development costs	-	10-20% Straight line
Patents, trademarks and licences	-	20% Straight line
Customer relationships	-	Over its useful economic life of ten years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and Development

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

3. Accounting Policies *(continued)*

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	20% reducing balance
Plant and machinery	-	20% reducing balance
Fixtures and fittings	-	20% reducing balance
Motor vehicles	-	33% reducing balance
Other leased assets	-	33% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

3. Accounting Policies *(continued)*

Finance Leases and Hire Purchase Contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Business Combinations

Business combinations are accounted for using the purchase method.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

3. Accounting Policies *(continued)*

Business Combinations *(continued)*

The cost of a business combination is measured as the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

Where control is achieved in stages, the cost of the business combination is the aggregate of the fair values of the assets given, liabilities incurred or assumed, and equity instruments issued at the date of each transaction in the series.

Where the business combination requires an adjustment to the cost contingent on future events, the estimated amount of that adjustment is included in the cost of the combination at the acquisition date providing it is probable and can be measured reliably. Where it is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration is treated as an adjustment to the cost of the combination. If such expected future events do not occur, or the estimate needs to be revised, the cost of the business combination is adjusted accordingly. The unwinding of any discounting is recognised as a finance cost in profit or loss in the period it arises.

4. Turnover

Turnover arises from:

	2023
	£
Sale of goods	12,095,593
Rendering of services	32,359,346
	<u>44,454,939</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2023
	£
United Kingdom	42,754,221
Overseas	1,700,718
	<u>44,454,939</u>

5. Operating Profit

Operating profit or loss is stated after charging/crediting:

	2023
	£
Amortisation of intangible assets	13,138,851
Depreciation of tangible assets	363,611
Impairment of trade debtors	193,373
Foreign exchange differences	(8,504)
Operating lease payments	<u>129,385</u>

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

6. Auditor's Remuneration

	2023
	£
Fees payable for the audit of the consolidated financial statements	<u>145,000</u>
Fees payable to the company's auditor and its associates for other services:	
Taxation compliance services	<u>5,000</u>

7. Staff Costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2023
	No.
Production staff	28
Administrative staff	50
Number of employees	<u>200</u>
	<u>278</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2023
	£
Wages and salaries	16,404,362
Social security costs	1,812,339
Other pension costs	696,828
	<u>18,913,529</u>

8. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2023
	£
Remuneration	362,933
Company contributions to defined contribution pension plans	18,751
	<u>381,684</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2023
	No.
Defined contribution plans	<u>2</u>

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

8. Directors' Remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2023
	£
Aggregate remuneration	94,362
Company contributions to defined contribution pension plans	9,438
	<u>103,800</u>

9. Other Interest Receivable and Similar Income

	2023
	£
Other interest receivable and similar income	<u>(140)</u>

10. Interest Payable and Similar Expenses

	2023
	£
Interest on debenture loans	8,215,403
Interest on banks loans and overdrafts	106,677
Loan note interest payable	237,791
Other interest payable and similar charges	4,232,060
	<u>12,791,931</u>

11. Tax on Loss

Major components of tax income

	2023
	£
Current tax:	
UK current tax income	65,135
Adjustments in respect of prior periods	<u>(14,976)</u>
Total current tax	<u>50,159</u>
Deferred tax:	
Origination and reversal of timing differences	19,051
Impact of change in tax rate	6,861
Adjustment in respect of prior periods	<u>(82,305)</u>
Total deferred tax	<u>(56,393)</u>
Tax on loss	<u><u>(6,234)</u></u>

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

11. Tax on Loss *(continued)*

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19%.

	2023 £
Loss on ordinary activities before taxation	(19,941,694)
Loss on ordinary activities by rate of tax	(3,881,716)
Adjustment to tax charge in respect of prior periods	(97,281)
Effect of expenses not deductible for tax purposes	3,916,034
Enhanced relief from super deduction	(102,842)
Tax rate changes	6,258
Movement in deferred tax not recognised	153,313
Tax on loss	(6,234)

12. Dividends

	2023 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	5,800

13. Intangible Assets

Group	Goodwill £	Development costs £	Patents, trademarks and licences £	Customer relationships £	Total £
Cost					
At 1 May 2022	–	–	–	–	–
Additions	–	613,466	–	–	613,466
Disposals	–	(367)	–	–	(367)
Acquisitions through business combinations	163,506,777	422,434	900	14,440,119	178,370,230
At 30 April 2023	163,506,777	1,035,533	900	14,440,119	178,983,329
Amortisation					
At 1 May 2022	–	–	–	–	–
Charge for the year	11,580,307	114,532	–	1,444,012	13,138,851
Transfers	65,903	166,006	900	3,308,566	3,541,375
At 30 April 2023	11,646,210	280,538	900	4,752,578	16,680,226
Carrying amount					
At 30 April 2023	151,860,567	754,995	–	9,687,541	162,303,103

The company has no intangible assets.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

14. Tangible Assets

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Other leased assets £	Total £
Cost						
At 1 May 2022	–	–	–	–	–	–
Additions	403,155	7,354	434,042	–	–	844,551
Disposals	–	–	(7,587)	–	–	(7,587)
Acquisitions through business combinations	7,967	883,968	537,016	16,801	313,008	1,758,760
At 30 Apr 2023	411,122	891,322	963,471	16,801	313,008	2,595,724
Depreciation						
At 1 May 2022	–	–	–	–	–	–
Charge for the year	11,028	32,541	308,880	10,792	370	363,611
Disposals	–	–	(7,587)	–	–	(7,587)
Transfers	917	508,959	28,673	(13,748)	313,008	837,809
At 30 Apr 2023	11,945	541,500	329,966	(2,956)	313,378	1,193,833
Carrying amount						
At 30 Apr 2023	399,177	349,822	633,505	19,757	(370)	1,401,891

The company has no tangible assets.

15. Investments

Group	Other investments other than loans £
Cost	
At 1 May 2022	–
Additions	2,402
At 30 April 2023	2,402
Impairment	
At 1 May 2022 and 30 April 2023	–
Carrying amount	
At 30 April 2023	2,402

The company has no investments.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

15. Investments *(continued)*

Subsidiaries, associates and other investments

Details of the investments in which the group has an interest of 20% or more are as follows:

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Hamsard 3671 Limited*	Same as group, see page 1	Ordinary	100
BCN Topco Limited*	Same as group, see page 1	Ordinary	100
BCN Bidco Limited*	Same as group, see page 1	Ordinary	100
Blue Logic (Holdings) Limited*	Same as group, see page 1	Ordinary	100
BCN Group (Runcorn) Limited*	Same as group, see page 1	Ordinary	100
BCN Nominee Limited*	Same as group, see page 1	Ordinary	100
Xicon Holdings Limited*	Same as group, see page 1	Ordinary	100
BCN Midco Limited*	Same as group, see page 1	Ordinary	100
BCN Group Limited*	Same as group, see page 1	Ordinary	100
BCN Group (Leeds) Limited*	Same as group, see page 1	Ordinary	100
BCN Group Hosting Limited*	Same as group, see page 1	Ordinary	100
Cloud 2 Limited*	Same as group, see page 1	Ordinary	100
Public View Limited*	Same as group, see page 1	Ordinary	100
BCN Group (Bradford) Limited*	Same as group, see page 1	Ordinary	100
Evo-Soft Limited*	Same as group, see page 1	Ordinary	100
Candela Enterprises Limited*	The Office, Dock Unit 2 Channel Wharf 21 Old Channel Road Belfast BT3 9DE	Ordinary	100
BCN Managed Limited (formerly NewCMI Limited)*	Pilot House 6 Pilot View Heron Road Belfast BT3 9LE	Ordinary	100
NewCMI (England) Limited*	Same as group, see page 1	Ordinary	100
Brookland Computer Services Limited*	Same as group, see page 1	Ordinary	100

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

15. Investments *(continued)*

* These companies were indirect subsidiary undertakings of the parent company

The principal activity of the following companies were that of a holding company:

- Hamsard 3670 Limited
- Hamsard 3671 Limited
- BCN Topco Limited
- BCN Midco Limited
- Blue Logic (Holdings) Limited
- BCN Bidco Limited
- Xicon Holdings Limited
- BCN Group (Bradford) Limited
- Candela Enterprises Limited
- NewCMI (England) Limited

BCN Nominee Limited and Brookland Computer Services Limited are dormant companies.

The principal activity of the following companies was that of IT support services, consultancy, project development and related solutions:

- BCN Group (Runcorn) Ltd
- BCN Group Ltd
- BCN Group (Leeds) Ltd
- BCN Group Hosting Limited
- Cloud 2 Limited
- Public View Ltd
- BCN Managed Limited (formerly NewCMI Limited)

16. Stocks

	Group 2023	Company 2023
	£	£
Finished goods and goods for resale	<u>22,805</u>	<u>-</u>

17. Debtors

	Group 2023	Company 2023
	£	£
Trade debtors	9,976,973	-
Amounts owed by group undertakings	-	96,447,531
Deferred tax asset	111,418	-
Called up share capital not paid	80	-
Prepayments and accrued income	2,438,605	-
Other debtors	<u>242,092</u>	<u>-</u>
	<u>12,769,168</u>	<u>96,447,531</u>

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

18. Creditors: amounts falling due within one year

	Group 2023 £	Company 2023 £
Trade creditors	5,533,569	–
Amounts owed to group undertakings	–	10,584
Accruals and deferred income	19,944,133	8,079,129
Corporation tax	1,233,614	–
Social security and other taxes	2,766,437	–
Obligations under finance leases and hire purchase contracts	43,773	–
Other creditors	445,861	–
	<u>29,967,387</u>	<u>8,089,713</u>

Obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

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

	Group 2023 £	Company 2023 £
Loan notes	5,750,000	–
Bank loans	66,435,263	–
Obligations under finance leases and hire purchase contracts	38,464	–
	<u>72,223,727</u>	<u>–</u>

Included within creditors: amounts falling due after more than one year is an amount of £66,435,263 in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date. The loan is secured by a composite guarantee and debenture over all assets of the company and is not due to be repaid until 2029.

The loan notes are redeemable in full on their maturity date in 2029 and they accrue interest at a rate of 12%. The investor loan notes are secured by a guarantee and debenture over the Group's assets.

Obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

20. Finance Leases and Hire Purchase Contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group 2023 £	Company 2023 £
Not later than 1 year	43,773	–
Later than 1 year and not later than 5 years	38,464	–
	<u>82,237</u>	<u>–</u>

Obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

21. Provisions

Group	Deferred tax (note 22) £
At 1 May 2022	–
Charge against provision	(5,520)
On business combination	3,021,068
At 30 April 2023	3,015,548

The company does not have any provisions.

22. Deferred Tax

The deferred tax included in the statement of financial position is as follows:

	Group 2023 £	Company 2023 £
Included in debtors (note 17)	111,418	–
Included in provisions (note 21)	(3,015,548)	–
	(2,904,130)	–

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group 2023 £	Company 2023 £
Accelerated capital allowances	3,011,442	–
Unused tax losses	(45,509)	–
Deferred tax - other timing differences	(61,803)	–
	2,904,130	–

23. Employee Benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £696,828.

Contributions totalling £177,210 were payable to the fund at the reporting date and are included in creditors.

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

24. Called Up Share Capital

Issued, called up and fully paid

	No.	2023 £
Ordinary shares of £0.01 each	<u>9,548,639,600</u>	<u>95,486,396</u>

25. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

26. Analysis of Changes in Net Debt

	At 1 May 2022 £	Cash flows £	At 30 Apr 2023 £
Cash at bank and in hand	-	5,202,980	5,202,980
Debt due within one year	-	(43,773)	(43,773)
Debt due after one year	-	(72,223,727)	(72,223,727)
	-	<u>(67,064,520)</u>	<u>(67,064,520)</u>

27. Business Combinations

Acquisition of BCN Topco Limited and its subsidiaries

The fair value of consideration paid in relation to the acquisition of BCN Topco Limited and its subsidiaries is as follows:

	£
Equity instruments	<u>96,794,486</u>

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

27. Business Combinations *(continued)*

The fair value of amounts recognised at the acquisition date in relation to BCN Topco Limited and its subsidiaries are as follows:

	Fair value £
Tangible assets acquired	771,113
Intangible assets acquired	133,726,115
Stocks acquired	94,156
Trade debtors acquired	7,336,433
Other debtors acquired	1,373,388
Cash and cash equivalents acquired	6,327,057
Trade creditors assumed	(4,245,680)
Other creditors assumed	(45,611,465)
Provisions assumed	(2,976,631)
	<u>96,794,486</u>

Acquisition of Evo-Soft Limited

The fair value of consideration paid in relation to the acquisition of Evo-Soft Limited is as follows:

	£
Cash	<u>5,886,822</u>

The fair value of amounts recognised at the acquisition date in relation to Evo-Soft Limited are as follows:

	Fair value £
Intangible assets acquired	4,532,182
Trade debtors acquired	677,720
Other debtors acquired	299,014
Cash and cash equivalents acquired	1,313,627
Trade creditors assumed	(17,067)
Other creditors assumed	(918,654)
	<u>5,886,822</u>

Acquisition of BCN Managed Limited (formerly NewCMI Limited) group of companies

The fair value of consideration paid in relation to the acquisition of BCN Managed Limited (formerly NewCMI Limited) group of companies is as follows:

	£
Cash	<u>16,517,874</u>

Hamsard 3669 Limited

Notes to the Consolidated Financial Statements *(continued)*

Year Ended 30 April 2023

27. Business Combinations *(continued)*

The fair value of amounts recognised at the acquisition date in relation to BCN Managed Limited (formerly NewCMI Limited) group of companies are as follows:

	Fair value £
Tangible assets acquired	155,071
Intangible assets acquired	25,182,577
Investments acquired	2,200
Stocks acquired	151,814
Trade debtors acquired	1,812,248
Other debtors acquired	5,967,416
Cash and cash equivalents acquired	571,972
Trade creditors assumed	(1,163,661)
Other creditors assumed	(16,133,374)
Provisions assumed	(28,389)
	<u>16,517,874</u>

28. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group 2023 £	Company 2023 £
Not later than 1 year	148,463	–
Later than 1 year and not later than 5 years	647,762	–
Later than 5 years	119,655	–
	<u>915,880</u>	<u>–</u>

29. Related Party Transactions

Group

During the year, the Group made sales of £3,173 (2022: £10,628) to Intellioffice Ltd and made purchases of £6,577 (2022: £7,255) from Intellioffice Ltd, a company registered in England and Wales under common directorship. The amount outstanding at the year end was £205 (2022: £7,447).

30. Controlling Party

The immediate parent company is ECI 11 Nominees Limited, a company incorporated in England and Wales.

The directors consider the ultimate controlling party to be ECI Partners LLP, a limited liability partnership formed under the laws of the United Kingdom, which is controlled by the ECI Group Board.