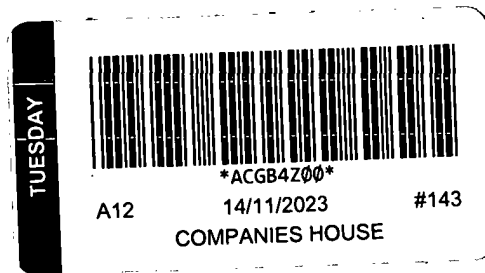


COMPANY REGISTRATION NUMBER: 07805373

Advice Champion.co.uk Limited

Financial statements

31st March 2023



Advice Champion.co.uk Limited

Financial statements

year ended 31st March 2023

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Advice Champion.co.uk Limited

Officers and professional advisers

The board of directors

A Callander
S Phillips
M Edge
N Yeo

Registered office

No 2 The Bourse
Leeds
LS1 5DE

Auditor

Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

Advice Champion.co.uk Limited

Strategic report

year ended 31st March 2023

Introduction

The directors present their strategic report for the year ending 31st March 2023.

Business review

The company's principal activity continues to be the provision of independent, holistic wealth planning advice and investment solutions to both individual & corporate clients.

Advice Champion.co.uk ("Advice Champion") was established in 2011 with the aim of providing independent, holistic wealth planning advice and investment solutions to both individual & corporate clients.

The majority of trading revenue and costs within the Advice Champion group are generated from The Private Office Limited ("TPO"). TPO are an award-winning group of Chartered independent financial advisers united by one vision: to provide personal and tailored wealth management services to those in search of stability and guidance.

TPO have been accredited as one of the top 30 best financial services companies to work for in the UK, and one of the top 100 companies in the UK of its size to work for, in addition to many other awards for service to the industry. Our staff are also award-winners in their own right, being recognised by such institutions as Professional Adviser, Unbiased Trusted Professionals, and the Personal Finance Society.

Advice Champion Services Limited was set up in 2019 with the aim of providing in-house platform services to our clients. Through the introduction of our own portal and secure app 'TPO Wealth', clients are now able to access and track their finances on the go.

The Advice Champion group has a clear, ambitious, and achievable growth plan. Our goal is to drive turnover through both acquisition and organic growth and to become a household name in financial planning.

The group:

Financial key performance indicators

	2023 (£'000)	2022 (£'000)	Change
Turnover	20,134	20,029	1%
Gross Profit	11,988	12,895	-7%
Pre-tax operating profit	(977)	177	-652%
Shareholders' funds	(8,161)	(7,730)	-6%
Average no. of employees	226	192	18%

The invasion of Ukraine and subsequent global economic impact of sanctions, combined with multiple prime ministers and connected budget announcements, energy prices and supply chain issues, all created a perfect storm which led to global equity markets performing poorly in 2022. The MSCI All Country World Index for equities shows a 19% loss for the 2022 calendar year; the worst retreat measured since 2008.

Central banks across the world took action to try and control inflation which has now pushed up debt costs and reduced confidence in both equity and bond markets. Many developed economies have been trapped in a stagflation cycle which is proving difficult to shift, and the change in equity-bond correlation creates its own difficulties for fund selection.

These market conditions have put downward pressure on our existing client ongoing income and have generally impacted client sentiment with a corresponding impact on future planning & investment decisions. TPO's model portfolios have held up well against these headwinds, which means we've been able to help shield our clients from the full impact.

Significant investment in marketing, and adviser & operational academies over the preceding years has enabled the group to take on new clients whilst providing an excellent service to existing ones. We have continued to generate market leading levels of leads to support future growth in new clients, and TPO are delighted to report that 768 new clients chose to work with us in 22/23.

Advice Champion.co.uk Limited

Strategic report *(continued)*

year ended 31st March 2023

Environmental, social and governance statement

A key objective of the group is to have a significant positive impact. This is summarised best by the fact that our majority shareholder intends to gift a significant amount of his capital gain to environmental charities upon a successful exit. Many of our people are also shareholders, which enables them to be involved in creating future value for themselves and our environmental charities by delivering excellent service to our clients.

Key risks

Client retention: the bulk of our income comes from the annual fees that our clients pay. We must therefore continue to deliver the very best service to our clients and ensure that all our staff continue to act in the best interests of the client. We invest heavily in supporting the right culture across our staff and our remuneration policies are designed to ensure they encourage the right client-focused behaviours.

Regulation: as with all organisations operating in the financial service sector, we must ensure that we continue to meet the requirements of our regulator. Failure to do so would damage our reputation and, in a worse case, impact our ability to provide a full scope of services to our clients. The group have a market-leading Risk & Regulatory team who have engineered a regulatory framework that ensures we are delivering against our requirements.

Staff retention: our proposition and offering is based on the combined knowledge and experience of our staff. Our clients also look for continuity from their advisers and support team. Retaining our best people is therefore vital to protecting our ability to look after our existing clients and bring on new clients. We therefore invest heavily in delivering competitive remuneration, excellent non-financial benefits and a supportive culture. On top of this we issue shares to all employees so that they have a stake in the long-term success of the business.

Income risk: a significant proportion of our income is exposed to market performance. Mitigating this risk involves ensuring that the investment portfolios that we recommend to our clients perform well when investment markets fall. This is beneficial for us and our clients.

This report was approved by the board of directors on 11th October 2023 and signed on behalf of the board by:



A Callander
Director

Registered office:
No 2 The Bourse
Leeds
LS1 5DE

Advice Champion.co.uk Limited

Directors' report

year ended 31st March 2023

The directors present their report and the financial statements of the group for the year ended 31st March 2023.

Directors

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

A Callander
S Phillips
M Edge
N Yeo

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 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 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.

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

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.

Sagars Accountants Ltd is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Advice Champion.co.uk Limited

Directors' report *(continued)*

year ended 31st March 2023

This report was approved by the board of directors on 11th October 2023 and signed on behalf of the board by:



A Callander
Director

Registered office:
No 2 The Bourse
Leeds
LS1 5DE

Advice Champion.co.uk Limited

Independent auditor's report to the members of Advice Champion.co.uk Limited

year ended 31st March 2023

Opinion

We have audited the financial statements of Advice Champion.co.uk Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2023 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, 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 financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st March 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 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 financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

In connection with our audit of the financial statements, 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 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.

Advice Champion.co.uk Limited

Independent auditor's report to the members of Advice Champion.co.uk Limited *(continued)*

year ended 31st March 2023

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.

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 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, 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.

Advice Champion.co.uk Limited

Independent auditor's report to the members of Advice Champion.co.uk Limited

(continued)

year ended 31st March 2023

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and posting of unusual journals and complex transactions. We discussed these risks with client management, designed audit procedures to test the timing of income, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

The organisation is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified company law, employment law, tax legislation and regulatory compliance as the area most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with the auditing standards. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 or 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Advice Champion.co.uk Limited

Independent auditor's report to the members of Advice Champion.co.uk Limited

(continued)

year ended 31st March 2023

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

James Hunt

James Hunt BA (Hons) MA ACA (Senior Statutory Auditor)

For and on behalf of
Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

11th October 2023

Advice Champion.co.uk Limited

Consolidated statement of comprehensive income

year ended 31st March 2023

	Note	2023 £	2022 £
Turnover	4	20,133,648	20,029,424
Cost of sales		<u>(8,146,002)</u>	<u>(7,134,029)</u>
Gross profit		11,987,646	12,895,395
Administrative expenses		<u>(12,674,683)</u>	<u>(12,495,673)</u>
Operating (loss)/profit	5	(687,037)	399,722
Other interest receivable and similar income	9	2,678	–
Interest payable and similar expenses	10	<u>(293,049)</u>	<u>(222,635)</u>
(Loss)/profit before taxation		(977,408)	177,087
Tax on (loss)/profit	11	2,489	<u>(144,000)</u>
(Loss)/profit for the financial year		<u>(974,919)</u>	<u>33,087</u>
Fair value adjustment on loan note		542,309	–
Non-controlling interest movement		<u>90,326</u>	<u>–</u>
Other comprehensive income for the year		632,635	–
Total comprehensive income for the year		<u>(342,284)</u>	<u>33,087</u>
Loss for the financial year attributable to:			
The owners of the parent company		(951,613)	(44,730)
Non-controlling interests		<u>(23,306)</u>	<u>77,817</u>
		<u>(974,919)</u>	<u>33,087</u>
Total comprehensive income for the year attributable to:			
The owners of the parent company		(318,978)	(44,730)
Non-controlling interests		<u>(23,306)</u>	<u>77,817</u>
		<u>(342,284)</u>	<u>33,087</u>

All the activities of the group are from continuing operations.

The notes on pages 16 to 27 form part of these financial statements.

Advice Champion.co.uk Limited

Consolidated statement of financial position

31st March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	3,500,395	4,639,390
Tangible assets	13	<u>465,963</u>	<u>410,019</u>
		3,966,358	5,049,409
Current assets			
Debtors	15	3,420,751	2,927,343
Cash at bank and in hand		<u>1,195,889</u>	<u>2,606,088</u>
		4,616,640	5,533,431
Creditors: amounts falling due within one year	16	<u>(2,085,260)</u>	<u>(8,956,155)</u>
Net current assets/(liabilities)		2,531,380	(3,422,724)
Total assets less current liabilities		6,497,738	1,626,685
Creditors: amounts falling due after more than one year	17	(14,550,664)	(9,277,813)
Provisions	19	<u>(108,000)</u>	<u>(78,000)</u>
Net liabilities		<u>(8,160,926)</u>	<u>(7,729,128)</u>
Capital and reserves			
Called up share capital	23	8,105	7,293
Other reserve	24	799,444	743,328
Profit and loss account	24	<u>(9,405,896)</u>	<u>(9,030,802)</u>
Equity attributable to the owners of the parent company		(8,598,347)	(8,280,181)
Non-controlling interests		437,421	551,053
		<u>(8,160,926)</u>	<u>(7,729,128)</u>

These financial statements were approved by the board of directors and authorised for issue on 11th October 2023, and are signed on behalf of the board by:



A Callander
Director

Company registration number: 07805373

The notes on pages 16 to 27 form part of these financial statements.

Advice Champion.co.uk Limited

Statement of financial position

31st March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	2,775,381	3,955,307
Investments	14	5,984,582	5,825,330
		<u>8,759,963</u>	<u>9,780,637</u>
Current assets			
Debtors	15	4,837,787	4,504,595
Cash at bank and in hand		33,764	41,836
		<u>4,871,551</u>	<u>4,546,431</u>
Creditors: amounts falling due within one year	16	<u>(3,104,022)</u>	<u>(8,914,071)</u>
Net current assets/(liabilities)		<u>1,767,529</u>	<u>(4,367,640)</u>
Total assets less current liabilities		<u>10,527,492</u>	<u>5,412,997</u>
Creditors: amounts falling due after more than one year	17	<u>(14,550,664)</u>	<u>(9,277,813)</u>
Net liabilities		<u>(4,023,172)</u>	<u>(3,864,816)</u>
Capital and reserves			
Called up share capital	23	8,105	7,293
Other reserve	24	1,285,637	743,328
Profit and loss account	24	(5,316,914)	(4,615,437)
Shareholders deficit		<u>(4,023,172)</u>	<u>(3,864,816)</u>

The loss for the financial year of the parent company was £701,477 (2022: £740,811).

These financial statements were approved by the board of directors and authorised for issue on 11th October 2023, and are signed on behalf of the board by:



A Callander
Director

Company registration number: 07805373

The notes on pages 16 to 27 form part of these financial statements.

Advice Champion.co.uk Limited

Consolidated statement of changes in equity

year ended 31st March 2023

	Called up share capital £	Other reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-controlling interests £	Total £
At 1st April 2021	6,639	743,328	(8,986,072)	(8,236,105)	473,236	(7,762,869)
Loss for the year			(44,730)	(44,730)	77,817	33,087
Total comprehensive income for the year	–	–	(44,730)	(44,730)	77,817	33,087
Issue of shares	799	–	–	799	–	799
Cancellation of subscribed capital	(145)	–	–	(145)	–	(145)
Total investments by and distributions to owners	654	–	–	654	–	654
At 31st March 2022	7,293	743,328	(9,030,802)	(8,280,181)	551,053	(7,729,128)
Loss for the year			(951,613)	(951,613)	(23,306)	(974,919)
Other comprehensive income for the year:						
Fair value adjustment on loan note	–	542,309	–	542,309	–	542,309
Non-controlling interest movement	–	–	90,326	90,326	–	90,326
Transfer between reserves	–	(486,193)	486,193	–	–	–
Total comprehensive income for the year	–	56,116	(375,094)	(318,978)	(23,306)	(342,284)
Issue of shares	1,177	–	–	1,177	–	1,177
Cancellation of subscribed capital	(365)	–	–	(365)	–	(365)
Acquisition of subsidiary with minority interest	–	–	–	–	(90,326)	(90,326)
Total investments by and distributions to owners	812	–	–	812	(90,326)	(89,514)
At 31st March 2023	8,105	799,444	(9,405,896)	(8,598,347)	437,421	(8,160,926)

The notes on pages 16 to 27 form part of these financial statements.

Advice Champion.co.uk Limited
Company statement of changes in equity
year ended 31st March 2023

	Called up share capital £	Other reserve £	Profit and loss account £	Total £
At 1st April 2021	6,639	743,328	(3,874,627)	(3,124,660)
Loss for the year			(740,811)	(740,811)
Other comprehensive income for the year:				
Fair value adjustment on loan note	—	—	1	1
Total comprehensive income for the year	—	—	(740,810)	(740,810)
Issue of shares	799	—	—	799
Cancellation of subscribed capital	(145)	—	—	(145)
Total investments by and distributions to owners	654	—	—	654
At 31st March 2022	7,293	743,328	(4,615,437)	(3,864,816)
Loss for the year			(701,477)	(701,477)
Other comprehensive income for the year:				
Fair value adjustment on loan note	—	542,309	—	542,309
Total comprehensive income for the year	—	542,309	(701,477)	(159,168)
Issue of shares	1,177	—	—	1,177
Cancellation of subscribed capital	(365)	—	—	(365)
Total investments by and distributions to owners	812	—	—	812
At 31st March 2023	<u>8,105</u>	<u>1,285,637</u>	<u>(5,316,914)</u>	<u>(4,023,172)</u>

The notes on pages 16 to 27 form part of these financial statements.

Advice Champion.co.uk Limited

Consolidated statement of cash flows

year ended 31st March 2023

	2023 £	2022 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(974,919)	33,087
<i>Adjustments for:</i>		
Depreciation of tangible assets	250,608	209,330
Amortisation of intangible assets	656,898	719,524
Other interest receivable and similar income	(2,678)	-
Interest payable and similar expenses	293,049	222,635
(Gains)/loss on disposal of tangible assets	(324)	138
Tax on loss	(2,489)	144,000
Accrued (income)/expenses	(889,418)	470,989
<i>Changes in:</i>		
Trade and other debtors	(463,889)	(590,708)
Trade and other creditors	105,754	(781,523)
Cash generated from operations	(1,027,408)	427,472
Interest paid	(56,831)	(222,635)
Interest received	2,678	-
Tax paid	(88,511)	-
Net cash (used in)/from operating activities	(1,170,072)	204,837
Cash flows from investing activities		
Purchase of tangible assets	(307,969)	(150,408)
Proceeds from sale of tangible assets	1,741	6,744
Purchase of intangible assets	(255,903)	(50,027)
Net cash used in investing activities	(562,131)	(193,691)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	1,177	799
Purchase of own shares	(365)	(145)
Proceeds from loans from group undertakings	386,000	569,858
Payments of finance lease liabilities	(64,808)	(75,349)
Net cash from financing activities	322,004	495,163
Net (decrease)/increase in cash and cash equivalents	(1,410,199)	506,309
Cash and cash equivalents at beginning of year	2,606,088	2,099,779
Cash and cash equivalents at end of year	1,195,889	2,606,088

The notes on pages 16 to 27 form part of these financial statements.

Advice Champion.co.uk Limited

Notes to the financial statements

year ended 31st March 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 No 2 The Bourse, Leeds, LS1 5DE. The principal activities of the Group include acting as an independent financial adviser, the provision of cash and savings information and guidance and the provision of investment platform services.

2. Statement of compliance

These 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, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Going concern

The directors have noted that at the year end the company had net liabilities of £8,160,926.

The directors continually monitor the financial performance and position of the company and prepare cash flow forecasts to assess future cash needs. The accounts have been prepared on a going concern basis as these forecasts suggest the Group has sufficient funds to enable the company to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the accounts.

In arriving at this conclusion, the directors have given due consideration to the impact of the current economic climate on future operations. Although to date there has not been a significant, immediate impact on the Group's operations, the directors recognise that the situation remains highly fluid and as a result making accurate forecasts on the likely implications is difficult.

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.

Consolidation

The financial statements consolidate the financial statements of Advice Champion.co.uk 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 presented its individual profit and loss account.

Advice Champion.co.uk Limited

Notes to the financial statements *(continued)*

year ended 31st March 2023

3. Accounting policies *(continued)*

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

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 for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Revenue recognition

Turnover comprises of fees received for work done in the course of the principal activity of the Group. Revenue is recognised when the company has the right to receive fee income and is measured at the fair value of the consideration received or receivable for the services rendered, stated net of discounts and of Value Added Tax.

Fee income for the rendering of services for initial work is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

Recurring fees are accounted for on a straight line basis over the period to which the fee relates.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Taxation

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.

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.

Advice Champion.co.uk Limited

Notes to the financial statements *(continued)*

year ended 31st March 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.

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	-	10 years
Development costs	-	3 years
Patents, trademarks and licences	-	3 years
Website development	-	3 years
Computer software	-	3 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.

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.

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.

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:

Short leasehold property	-	Over period of the lease
Fixtures and fittings	-	20% straight line
Equipment	-	33% straight line

Advice Champion.co.uk Limited

Notes to the financial statements *(continued)*

year ended 31st March 2023

3. Accounting policies *(continued)*

Investments

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

Investments are reviewed for impairment at each reporting date and where the carrying value exceeds the recoverable amount, the investment is impaired accordingly.

Finance leases and hire purchase contracts

Assets held under finance leases 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.

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.

Debtors

Short term trade and other debtors are measured at transaction price, less any impairment. A provision is made against specific balances when there is evidence that the full amount due will not be recovered.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Turnover

Turnover arises from:

	2023 £	2022 £
Rendering of services	<u>20,133,648</u>	<u>20,029,424</u>

Advice Champion.co.uk Limited

Notes to the financial statements *(continued)*

year ended 31st March 2023

4. Turnover *(continued)*

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2023 £	2022 £
Amortisation of intangible assets	656,898	719,523
Depreciation of tangible assets	250,608	209,330
(Gains)/loss on disposal of tangible assets	(324)	138
Impairment of trade debtors	44,955	-

6. Auditor's remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	23,350	21,300

7. Staff costs

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

	2023 No.	2022 No.
Administrative staff	115	103
Management staff	9	9
Advisors & advice support	102	80
	226	192

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

	2023 £	2022 £
Wages and salaries	10,772,679	10,289,264
Social security costs	1,299,330	1,105,048
Other pension costs	262,606	237,628
	12,334,615	11,631,940

8. Directors' remuneration

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

	2023 £	2022 £
Remuneration	710,000	707,625
Company contributions to defined contribution pension plans	4,273	4,281
	714,273	711,906

Advice Champion.co.uk Limited

Notes to the financial statements *(continued)*

year ended 31st March 2023

8. Directors' remuneration *(continued)*

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

	2023 £	2022 £
Aggregate remuneration	<u>270,000</u>	<u>271,192</u>

The directors are considered the key management personnel of the Group.

9. Other interest receivable and similar income

	2023 £	2022 £
Interest on cash and cash equivalents	44	-
Interest receivable	<u>2,634</u>	<u>-</u>
	<u>2,678</u>	<u>-</u>

10. Interest payable and similar expenses

	2023 £	2022 £
Interest on obligations under finance leases and hire purchase contracts	14,723	16,846
Interest payable	19,165	10,680
Other interest payable and similar charges	<u>259,161</u>	<u>195,109</u>
	<u>293,049</u>	<u>222,635</u>

11. Tax on loss

Major components of tax income

	2023 £	2022 £
Current tax:		
UK current tax income	-	121,000
Adjustments in respect of prior periods	<u>(32,489)</u>	<u>-</u>
Total current tax	<u>(32,489)</u>	<u>121,000</u>
Deferred tax:		
Origination and reversal of timing differences	<u>30,000</u>	<u>23,000</u>
Tax on loss	<u>(2,489)</u>	<u>144,000</u>

Advice Champion.co.uk Limited

Notes to the financial statements (continued)

year ended 31st March 2023

11. Tax on loss (continued)

Reconciliation of tax (income)/expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £	2022 £
(Loss)/profit on ordinary activities before taxation	<u>(977,408)</u>	<u>177,087</u>
(Loss)/profit on ordinary activities by rate of tax	<u>(185,708)</u>	<u>33,647</u>
Adjustment to tax charge in respect of prior periods	<u>(32,489)</u>	<u>-</u>
Effect of expenses not deductible for tax purposes	<u>189,715</u>	<u>80,848</u>
Effect of capital allowances and depreciation	<u>(20,641)</u>	<u>(8,264)</u>
Utilisation of tax losses	<u>33,000</u>	<u>-</u>
Movement on deferred tax and deferred tax not recognised	<u>6,621</u>	<u>32,607</u>
Other movements	<u>7,013</u>	<u>5,162</u>
Tax on loss	<u><u>(2,489)</u></u>	<u><u>144,000</u></u>

12. Intangible assets

Group	Goodwill £	Development costs £	Patents, trademarks and licences £	Website development £	Computer software £	Total £
Cost						
At 1 Apr 2022	7,199,220	109,427	2,040	4,800	99,426	7,414,913
Additions	199,704	15,000	-	41,199	-	255,903
Other movements	(738,000)	-	-	-	-	(738,000)
At 31 Mar 2023	<u><u>6,660,924</u></u>	<u><u>124,427</u></u>	<u><u>2,040</u></u>	<u><u>45,999</u></u>	<u><u>99,426</u></u>	<u><u>6,932,816</u></u>
Amortisation						
At 1 Apr 2022	2,676,386	33,446	738	1,468	63,485	2,775,523
Charge for the year	584,239	33,555	680	5,282	33,142	656,898
At 31 Mar 2023	<u><u>3,260,625</u></u>	<u><u>67,001</u></u>	<u><u>1,418</u></u>	<u><u>6,750</u></u>	<u><u>96,627</u></u>	<u><u>3,432,421</u></u>
Carrying amount						
At 31 Mar 2023	<u><u>3,400,299</u></u>	<u><u>57,426</u></u>	<u><u>622</u></u>	<u><u>39,249</u></u>	<u><u>2,799</u></u>	<u><u>3,500,395</u></u>
At 31 Mar 2022	<u><u>4,522,834</u></u>	<u><u>75,981</u></u>	<u><u>1,302</u></u>	<u><u>3,332</u></u>	<u><u>35,941</u></u>	<u><u>4,639,390</u></u>

Advice Champion.co.uk Limited

Notes to the financial statements *(continued)*

year ended 31st March 2023

12. Intangible assets *(continued)*

Company	Goodwill £
Cost	
At 1st April 2022	4,662,163
Other movements	(738,000)
At 31st March 2023	3,924,163
Amortisation	
At 1st April 2022	706,856
Charge for the year	441,926
At 31st March 2023	1,148,782
Carrying amount	
At 31st March 2023	2,775,381
At 31st March 2022	3,955,307

13. Tangible assets

Group	Short leasehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1st April 2022	137,837	447,762	433,177	1,018,776
Additions	–	7,388	300,581	307,969
Disposals	–	–	(11,996)	(11,996)
At 31st March 2023	137,837	455,150	721,762	1,314,749
Depreciation				
At 1st April 2022	46,785	355,183	206,789	608,757
Charge for the year	15,674	90,781	144,153	250,608
Disposals	–	–	(10,579)	(10,579)
At 31st March 2023	62,459	445,964	340,363	848,786
Carrying amount				
At 31st March 2023	75,378	9,186	381,399	465,963
At 31st March 2022	91,052	92,579	226,388	410,019

The company has no tangible assets.

14. Investments

The group has no investments.

Advice Champion.co.uk Limited

Notes to the financial statements *(continued)*

year ended 31st March 2023

14. Investments *(continued)*

Company	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1st April 2022	5,784,878	40,452	5,825,330
Additions	199,704	–	199,704
Disposals	–	(40,452)	(40,452)
At 31st March 2023	5,984,582	–	5,984,582
Impairment			
At 1st April 2022 and 31st March 2023	–	–	–
Carrying amount			
At 31st March 2023	5,984,582	–	5,984,582
At 31st March 2022	5,784,878	40,452	5,825,330

Subsidiaries, associates and other investments

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

	Class of share	Percentage of shares held
Subsidiary undertakings		
The Private Office Limited	Ordinary	94
Savings Champion.co.uk Limited	Ordinary	100
TPO Holdco Limited	Ordinary	100
Advice Champion Services Limited	Ordinary	100
John Lamb Wealth Management Limited	Ordinary	100

During the year the company acquired an additional 1.13% of a subsidiary undertaking, The Private Office Limited.

15. Debtors

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	846,603	785,786	–	–
Amounts owed by group undertakings	296	–	4,486,260	4,503,103
Prepayments and accrued income	2,533,238	2,105,566	348,926	–
Corporation tax repayable	33,000	–	–	–
Other debtors	7,614	35,991	2,601	1,492
	3,420,751	2,927,343	4,837,787	4,504,595

Advice Champion.co.uk Limited

Notes to the financial statements (continued)

year ended 31st March 2023

16. Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	537,277	246,716	–	–
Amounts owed to group undertakings	–	5,170,000	3,100,722	7,949,684
Accruals and deferred income	1,155,125	2,015,024	3,300	3,000
Corporation tax	–	121,000	–	–
Social security and other taxes	390,217	375,684	–	–
Obligations under finance leases and hire purchase contracts	–	64,808	–	–
Other creditors	2,641	962,923	–	961,387
	<u>2,085,260</u>	<u>8,956,155</u>	<u>3,104,022</u>	<u>8,914,071</u>

In November 2022 loans due to the company's parent with face value totalling to £5,556,000 and held in creditors due in less than one year were incorporated into a loan note instrument with an expected redemption date of more than one year after the balance sheet date.

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts owed to group undertakings	13,300,621	8,050,712	13,300,621	8,050,712
Other creditors	1,250,043	1,227,101	1,250,043	1,227,101
	<u>14,550,664</u>	<u>9,277,813</u>	<u>14,550,664</u>	<u>9,277,813</u>

18. Finance leases and hire purchase contracts

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	–	64,808	–	–

19. Provisions

Group	Deferred tax (note 20) £
At 1st April 2022	78,000
Additions	30,000
At 31st March 2023	<u>108,000</u>

The company does not have any provisions.

Advice Champion.co.uk Limited

Notes to the financial statements (continued)

year ended 31st March 2023

20. Deferred tax

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Included in provisions (note 19)	<u>108,000</u>	<u>78,000</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Accelerated capital allowances	<u>108,000</u>	<u>78,000</u>	<u>-</u>	<u>-</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £262,606 (2022: £237,628).

22. Prior period adjustments

Following a review by the directors and to better reflect comparisons between the current and prior year the comparative profit and loss account has been restated to reallocate costs between cost of sale and administrative expenses. The change has increased cost of sales in the prior year by £553,809 and decreased administrative expenses by the same amount. There is no impact on profit or net assets.

23. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary A shares of £0.00001 each	10,020,000	100	10,020,000	100
Ordinary B shares of £0.001 each	5,204,000	5,204	5,500,000	5,500
Ordinary C shares of £0.001 each	2,801,000	2,801	1,692,300	1,692
	<u>18,025,000</u>	<u>8,105</u>	<u>17,212,300</u>	<u>7,293</u>

24. Reserves

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

Other reserve - This reserve records capital contributed by the parent in respect of loan notes held at amortised cost.

Advice Champion.co.uk Limited

Notes to the financial statements *(continued)*

year ended 31st March 2023

25. Analysis of changes in net debt

	At 1 Apr 2022 £	Cash flows £	At 31 Mar 2023 £
Cash at bank and in hand	2,606,088	(1,410,199)	1,195,889
Debt due within one year	(5,234,808)	5,234,808	-
Debt due after one year	(8,050,712)	(5,249,909)	(13,300,621)
	<u>(10,679,432)</u>	<u>(1,425,300)</u>	<u>(12,104,732)</u>

26. Operating leases

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

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Not later than 1 year	491,360	491,360	-	-
Later than 1 year and not later than 5 years	1,882,876	1,965,438	-	-
Later than 5 years	67,129	475,926	-	-
	<u>2,441,365</u>	<u>2,932,724</u>	<u>-</u>	<u>-</u>

27. Related party transactions

Group

Advantage has been taken of the exemption under the FRS102 Section 33 'Related Party Disclosure' not to disclose transactions with entities that are part of the same group, on the grounds that all the voting rights of the company are controlled by Mike Edge Holdings Limited, who will be preparing consolidated accounts.

During the year payments totalling £26,200 (2022 - £26,200) were made by the Group's ultimate parent company to a 94% subsidiary company, The Private Office Limited, for services provided.

Included in creditors due in more than one year is a loan due to a director held at an amortised cost of £1,170,035. The total amount advanced to the company was £1,217,304 and there has been no movement during the year, other than the unwinding of the discount.

28. Controlling party

The company's parent company is Mike Edge Holdings Limited, a company incorporated in England (no. 08852635).