

Company Registration No. 11508797 (England and Wales)

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

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TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

COMPANY INFORMATION

Directors	Mr M A Williams	(Appointed 6 November 2018)
	Mr M Finlay	(Appointed 6 November 2018)
	Mr M D Keeley	(Appointed 30 October 2018)
	Mr E J B Reeves	(Appointed 6 November 2018)
	Mrs J K Swash	(Appointed 6 November 2018)
	Mr P J Macdonald	(Appointed 25 February 2020)

Company number 11508797

Registered office Western Gateway
Wrexham
LL13 7ZB

Auditor RSM UK Audit LLP
One City Place
Chester
CH1 3BQ

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

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TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present the strategic report for the Period ended 31 December 2019.

Strategic review and future developments

The company was incorporated on 9 August 2018 and began trading on 6 November 2018. On 6 November 2018, the company subscribed for the entire share capital of TDKP MidCo Limited, which in turn acquired the entire share capital of TDKP BidCo Limited on the same day. On 6 November 2018 TDKP BidCo Limited acquired the entire share capital of TDKP Limited.

The group made a loss of before taxation of £21.2 million during the period 9 August 2018 to 31 December 2019. The underlying trading businesses during the same period reported EBITDA of £9.0 million. The loss made by the group is due to the interest of £14.4m charged on bank, management loan notes and preference shares.

The directors are very pleased with the performance of the Business, with revenue of £41.7m, which was driven by a combination of continued strong organic growth of the UK business, the increasing popularity of the Live Chat proposition (Live Chat revenues grew 100% on the prior year) and strong growth in our US operation.

The financial position of the group as at 31 December 2019 is a net liability of the group of £21.1 million due to the debt funded balance sheet following private equity investment. The bank loan payments have quarterly interest payments with no capital payment due until 23 November 2025. The management loan notes interest and preference share preferred return is rolled up rather than being an immediate liability that the group has to meet. This has resulted the group reporting net current assets of £5.6m as at 31 December 2019.

During the year the business added to the senior management team with a new Chief Technology Officer and Chief Marketing Officer which reflects the business's intention to transition increasingly to a technology led business with a larger brand presence in the UK and US.

During 2019 the Business successfully transitioned to a new group wide, cloud hosted, communication system, which was a significant infrastructure project. This creates scalability for future growth and better positions the Business to offer omni-channel communications and AI driven solutions. This transition allowed the Group to successfully support home working during COVID-19 restrictions in half 1 of 2020.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

Principal risks and uncertainties

The directors and senior management are confident of the skills and knowledge throughout the company and in its capability of offering the required product and service mix to meet market requirements.

All companies are exposed to certain risks and uncertainties, and the company does not underestimate these threats, and it is the responsibility of the officers of the company to assess, control and minimise and exposure.

The directors consider the two principal risks of the company to be:

Credit risk

The company's financial assets are bank balances and cash and trade and other receivables.

The company's credit risk is primarily attributable to trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made when there is an identified loss event, which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. The company continues to operate a strict credit management policy in an aim to minimise this risk.

The credit risk on liquid funds is limited because the counterparts are banks with high credit-ratings assigned by international credit-rating agencies.

Economic risk

Whilst the company is subject to the same external uncertainties faced by all companies in the current macro-economic environment, the directors believe that the company is well placed to respond to challenges that may arise in the foreseeable future due to having a diverse customer base spread across a number of industry sectors. The directors have assessed the risk of BREXIT on the business and due to the nature of our employee base and trade, any impact is restricted to a wider downturn in the overall economy. However, due to the diversified nature of our client base from a sector mix and volume perspective, along with the increased revenues in the USA from the recent acquisition, the risk associated with BREXIT is considered low.

Foreign exchange rate risk

Following the acquisition of Voice Nation on 26 February 2020 the Group's sales in USD has increased and is only partially matched by expenses in these currencies. To hedge against this risk the funding for the acquisition was denominated in USD.

Key performance indicators

The financial performance of the group is managed with extensive weekly and monthly reporting. Following the introduction of private equity investment a new board pack has been developed to track performance against the previous twelve months that comprises, financial, marketing, operational and technical data. The Directors consider that turnover and EBITDA as the main KPI, which is discussed in detail above.

Post-balance sheet event

On 26 February 2020, the Group acquired 100% of the shares of Voice Nation LLC, Ninja Number LLC and Cirravox LLC via their respective holding companies; Going Beyond LLC, Simply One LLC and Open Answer LLC. All companies are incorporated in the State of Georgia, USA. The acquisition was funded through the cash reserves of the Group and by extending the existing banking facilities with Barings Bank. In 2020 this will add ca. US \$10m to Group revenue and will contribute significantly to Group profit. VoiceNation provides telephone answering services to over 4,000 SME clients across the US. It significantly increases our US client base in the US and expands our service offering. NinjaNumber is a business phone app which also has 4,000 clients, aimed at the solopreneur market. NinjaNumber adds to our technology suite and complements our Pocket Phone System product in the UK market. US revenues now account for over 25% of group revenues and we have close to 10,000 US clients.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

Going concern

The Board regularly reviews revenue, profitability and cash flow forecasts across the short, medium and longer term. A number of downside sensitised scenarios are modelled and considered to create a wide range of possible outcomes, the assumptions behind which are robustly challenged. The Board compares actual performance against budgets and forecasts and reviews variances to continually refine and improve forecasting ability from which to make effective decisions.

However, the uncertain impact of COVID-19 in 2020 and 2021 makes such an assessment more challenging and a highly sensitive downside was modelled. This took into account a reduction in client numbers, a reduction in average client revenue, delays to receipts from clients and an increased provision for doubtful debts. This downside was considered to last from Q2 2020 and not to recover until Q2 2021. In addition, the Group Companies successfully worked from home during Q2 2020 and this demonstrated the flexibility of our operations if COVID-19 restrictions were not lifted.

The sensitised cash flow forecast based on these assumptions demonstrated that the Group will be able to pay its debts as they fall due for a period of at least twelve months from the date of signing these accounts. The Group has since outperformed these sensitised models during a three month period and the Directors are, therefore, satisfied that the financial statements should be prepared on the going concern basis.

On behalf of the board



Mr M A Williams

Director

30 July 2020

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the Period ended 31 December 2019.

Principal activities

The company was incorporated on 9 August 2018 and the Financial Statements cover cover the extended period up to 31 December 2019.

The Company and Group commenced trading on 6 November 2018 when it acquired 100% of the share capital of TDKP Limited.

Since then the principal activity of the company and the group continued to be that of the holding company of the Moneypenny group of companies whose principal activities during the period was providing communication products and services to our clients that consists of telephone answering, outsourced switchboard, live chat, natural language digital switchboard and digital telephone answering products.

Directors

The directors who held office during the Period are as follows:

Mr M A Williams	(Appointed 6 November 2018)
Mr M Finlay	(Appointed 6 November 2018)
Mr M D Keeley	(Appointed 30 October 2018)
Mr E J B Reeves	(Appointed 6 November 2018)
Mrs J K Swash	(Appointed 6 November 2018)
Squire Patton Boggs Directors Limited	(Appointed 9 August 2018 and resigned 30 October 2018)
Jane Haxby	(Appointed 9 August 2018 and resigned 30 October 2018)
Isa Maidan	(Appointed 30 October 2018 and resigned 6 November 2018)
Mr Robbie Van-Abibe	(Appointed 10 February 2019 and resigned 25 September 2019)

Results and dividends

The results for the Period are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors' insurance

The group maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the group.

Disabled persons

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

Employee involvement

The group's policy is to consult and discuss with employees, through staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

Auditor

RSM UK Audit LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks and activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Change of name

The Company changed its name to TDKP TopCo Limited from Hamsard 3511 Limited on 23 December 2018.

On behalf of the board



Mr M A Williams

Director

30 July 2020

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Annual 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 company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

Opinion

We have audited the financial statements of TDKP TopCo Limited (formerly Hamsard 3511 Limited) (the 'parent company') and its subsidiaries (the 'group') for the Period ended 31 December 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 the parent company's affairs as at 31 December 2019 and of the group's loss for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial Period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 and the directors' report.

We have nothing to report in respect of the following matters where 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.

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.

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

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

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.

RSM UK Audit LLP

Jonathan Lowe (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP

7 August 2020

Chartered Accountants
Statutory Auditor

One City Place
Chester
CH1 3BQ

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Period ended 31 December 2019 £
Turnover	3	41,707,228
Cost of sales		(13,714,802)
Gross profit		27,992,426
Administrative expenses		(18,731,838)
Depreciation and other amounts written off tangible and intangible fixed assets		(15,794,812)
Exceptional item	4	(187,236)
Operating loss	5	(6,721,460)
Interest receivable and similar income	9	28,566
Interest payable and similar expenses	10	(14,537,778)
Loss before taxation		(21,230,672)
Tax on loss	11	(1,134,746)
Loss for the financial Period	25	(22,365,418)
Other comprehensive income		
Currency translation differences		306,134
Total comprehensive income for the Period		(22,059,284)

(Loss)/profit for the financial Period is all attributable to the owners of the parent company.

Total comprehensive income for the Period is all attributable to the owners of the parent company.

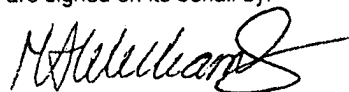
TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£
Fixed assets			
Goodwill	12	97,798,409	
Other intangible assets	12	10,838,354	
Total intangible assets		108,636,763	
Tangible assets	13	13,308,952	
		121,945,715	
Current assets			
Debtors	17	3,936,399	
Cash at bank and in hand		9,912,212	
		13,848,611	
Creditors: amounts falling due within one year	18	(8,280,738)	
Net current assets		5,567,873	
Total assets less current liabilities		127,513,588	
Creditors: amounts falling due after more than one year	19	(146,302,798)	
Provisions for liabilities	21	(2,308,874)	
Net liabilities		(21,098,084)	
Capital and reserves			
Called up share capital	24	9,612	
Share premium account	25	951,588	
Profit and loss reserves	25	(22,059,284)	
Total equity		(21,098,084)	

The financial statements were approved by the board of directors and authorised for issue on 30 July 2020 and are signed on its behalf by:



Mr M A Williams
Director

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£
Fixed assets			
Investments	14		1
Current assets			
Debtors	17	85,497,517	
Creditors: amounts falling due within one year	18	(36,000)	
Net current assets			85,461,517
Total assets less current liabilities			85,461,518
Creditors: amounts falling due after more than one year	19	(85,953,850)	
Net liabilities			(492,332)
Capital and reserves			
Called up share capital	24		9,612
Share premium account	25		951,588
Profit and loss reserves	25		(1,453,532)
Total equity			(492,332)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,453,532.

The financial statements were approved by the board of directors and authorised for issue on 30 July 2020 and are signed on its behalf by:



Mr M A Williams
Director

Company Registration No. 11508797

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Period ended 31 December 2019:					
Loss for the period		-	-	(22,365,418)	(22,365,418)
Other comprehensive income:					
Currency translation differences on overseas subsidiaries		-	-	306,134	306,134
Total comprehensive income for the period		-	-	(22,059,284)	(22,059,284)
Issue of share capital	24	9,612	951,588	-	961,200
Balance at 31 December 2019		9,612	951,588	(22,059,284)	(21,098,084)

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Period ended 31 December 2019:					
Loss and total comprehensive income for the period		-	-	(1,453,532)	(1,453,532)
Issue of share capital	24	9,612	951,588	-	961,200
Balance at 31 December 2019		<u>9,612</u>	<u>951,588</u>	<u>(1,453,532)</u>	<u>(492,332)</u>

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	2019 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	32	8,845,980	
Interest paid		(2,924,418)	
Income taxes paid		(74,743)	
Net cash inflow/(outflow) from operating activities		<u>5,846,819</u>	
Investing activities			
Purchase of business		(119,707,951)	
Purchase of intangible assets		(175,716)	
Purchase of tangible fixed assets		(658,884)	
Proceeds on disposal of tangible fixed assets		410	
Interest received		22,707	
Net cash used in investing activities		<u>(120,519,434)</u>	
Financing activities			
Proceeds from issue of shares		961,200	
Issue of preference shares		77,634,908	
Issue of Loan Notes		59,408,732	
Repayment of Loan Notes		(40,000,000)	
Proceeds from borrowings		40,000,000	
Repayment of borrowings		(11,044,095)	
Debt issue costs		(2,318,422)	
Purchase of derivatives		(57,700)	
Net cash generated from/(used in) financing activities		<u>124,584,623</u>	
Net increase in cash and cash equivalents		<u>9,912,008</u>	
Cash and cash equivalents at beginning of Period		-	
Effect of foreign exchange rates		204	
Cash and cash equivalents at end of Period		<u><u>9,912,212</u></u>	

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

TDKP TopCo Limited (formerly Hamsard 3511 Limited) ("the company") is a private limited company limited by shares and is domiciled and incorporated in England and Wales. The registered office is Western Gateway, Wrexham, LL13 7ZB.

The group consists of TDKP TopCo Limited (formerly Hamsard 3511 Limited) and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of TDKP TopCo Limited (formerly Hamsard 3511 Limited) and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

TDKP Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of TDKP Limited for the 14 month period from its acquisition on 6 November 2018. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

The group profit and loss account and statement of cash flows also include the results and cash flows of TDKP MidCo Limited and for the 17 month period from its incorporation on 9 August 2018 and includes the results and cash flows of TDKP BidCo Limited for the 17 month period from its incorporation on 9 August 2018.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company can meet its financial obligations from existing facilities. When reviewing the forecasts an increased sensitivity analysis was undertaken to assess the impact of COVID-19 and this demonstrated that the company had adequate resources to meet its financial obligations up to 31 December 2021. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements as detailed in the Strategic Report.

1.4 Reporting period

The current period has been extended by 4 months ended 31st December 2019, as the company changed its accounting reference date to bring it in line with the group.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 Turnover

Turnover is recognised at the fair value of the consideration received for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Sales are recognised at the point at which the Company has fulfilled its contracted obligations to the customer.

Commissions received is recognised in the period in which the right to the consideration has been established.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.6 Intangible fixed assets - goodwill

Goodwill represents the cost of an acquisition over the fair value of the identifiable net assets of the acquired subsidiary at the date of acquisition. It is initially measured at cost and subsequently at accumulated amortisation and accumulated impairment losses. Goodwill on the acquisition of subsidiaries is included within intangible assets. Goodwill is considered to have a finite useful life and is amortised over the life of the asset which in the opinion of the directors is 12 years, in line with the renewal date of the Money Penny trademark.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Intangible assets - acquired on business combinations

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future benefits that are attributable to the asset will flow to the entity, and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separate from the entity.

Brand

The Group has recognised an intangible asset in respect of the brand value of Money Penny. The asset is recognised at cost and subsequently at accumulated amortisation and accumulated impairment. The brand value is amortised over the life of the asset which in the opinion of the directors is 10 years, in line with the renewal date of the Money Penny trademark.

Technology Development

The Group has recognised an intangible asset in respect of the internally developed technology. The asset is recognised at cost and subsequently at accumulated amortisation and accumulated impairment.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% straight line
Patents & licences	10% straight line
Brand	10% straight line
Technical Development	33% straight line

Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money, and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to the recoverable amount. An impairment loss is recognised immediately in profit or loss.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	4% straight line
Leasehold land and buildings	Over the period of the lease
Fixtures and fittings	20% reducing balance
Computers	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.11 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Classification of financial liabilities

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

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

Debt instruments are initially recognised at transaction price less the costs incurred to issue the debt. The instruments are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable included in interest payable. The debt issue costs have been deducted from the loan value, are amortised over the term of the loan and are included in interest payable.

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.13 Equity instruments

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

1.14 Taxation

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

Current tax

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

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Directors do not believe any accounting estimates to be critical.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of brand

The Group have recognised a brand intangible asset on the acquisition of TDKP Limited. A number of assumptions and estimates have been used in the valuation of this asset including; forecast revenue growth, the royalty, tax and discount rates used in the calculation and the useful economic life attributed to the brand.

Valuation of technology

The Group have recognised an intangible for the internally developed technology. Key estimates included in the valuation of this technology include estimations of the cost to recreate and the useful life of the technology.

Intangible assets

The group initially measures the separable intangible assets acquired in business combination at their fair value at the date of acquisition. Management judgement is required in delivering a number of assumptions which are used in assessing their fair value of each acquisition intangible and also in assessing the useful economic life of these assets for the purpose of amortisation.

Onerous lease

Provision has been made in respect of leasehold properties for a vacant partly let former building. The amount provided is based on the future rental obligations together with other fixed outgoings, net of any sub-lease income. In determining the provision, the cash flows have been discounted on a pre-tax basis using a risk free rate of return.

Operating leases

In determining the lease term, Directors consider all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment. During the current financial year, there was no material financial effect of revising lease terms to reflect the effect of exercising extension or termination options.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

3 Turnover and other revenue

	2019 £
Turnover analysed by class of business	
Turnover	40,612,060
Commission received	1,095,168
	<u>41,707,228</u>

	2019 £
Other significant revenue	
Interest income	28,566
	<u>28,566</u>

	2019 £
Turnover analysed by geographical market	
United Kingdom	37,812,963
United States of America	3,894,265
	<u>41,707,228</u>

4 Exceptional costs

	2019 £
Strategic Investment Oppourtunities	187,236
	<u>187,236</u>

5 Operating loss

	2019 £
Operating loss for the period is stated after charging/(crediting):	
Exchange gains	(4,401)
Depreciation of owned tangible fixed assets	1,143,031
Profit on disposal of tangible fixed assets	(8)
Amortisation of intangible assets	14,651,789
Operating lease charges	361,486
	<u>15,740,897</u>

Exchange differences recognised in profit or loss during the Period, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £4,401.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

6 Auditor's remuneration

	2019 £
Fees payable to the company's auditor and associates:	
For audit services	
Audit of the financial statements of the group and company	8,000
Audit of the financial statements of the company's subsidiaries	49,500
	<u>57,500</u>
For other services	
Taxation compliance services	15,419
Other taxation services	15,000
	<u>30,419</u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the Period was:

	Group 2019 Number	Company 2019 Number
Employees	716	-
Directors	6	6
	<u>722</u>	<u>6</u>

Their aggregate remuneration comprised:

	Group 2019 £	Company 2019 £
Wages and salaries	19,603,004	76,076
Social security costs	1,642,260	-
Pension costs	363,867	-
	<u>21,609,131</u>	<u>76,076</u>

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

8 Directors' remuneration

	2019 £
Remuneration for qualifying services	663,653
Company pension contributions to defined contribution schemes	54,083
Sums paid to third parties for directors' services	57,671
	<u>775,407</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £
Remuneration for qualifying services	255,060
Company pension contributions to defined contribution schemes	13,405
	<u>268,465</u>

9 Interest receivable and similar income

	2019 £
Interest income	
Interest on bank deposits	22,301
Other interest income	6,265
Total income	<u>28,566</u>

10 Interest payable and similar expenses

	2019 £
Interest on bank overdrafts and loans	2,864,220
Dividends on redeemable preference shares not classified as equity	9,021,441
Other interest on financial liabilities	2,652,117
Total finance costs	<u>14,537,778</u>

11 Taxation

	2019 £
Current tax	
UK corporation tax on profits for the current period	1,398,599
Adjustments in respect of prior periods	(12,305)
Total current tax	<u>1,386,294</u>

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

11 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences

(251,548)

Total tax charge for the period

1,134,746

The actual charge for the Period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

2019

£

Loss before taxation

(21,230,672)

Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%

(4,033,828)

Tax effect of expenses that are not deductible in determining taxable profit

5,008,834

Effect of change in corporation tax rate

2,177

Depreciation on assets not qualifying for tax allowances

3,727

Under/(over) provided in prior years

(12,305)

Deferred tax adjustments in respect of prior years

34,543

Fixed Asset differences

51,056

Deferred Tax not recognised

80,542

Taxation charge for the period

1,134,746

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

12 Intangible fixed assets

Group	Goodwill	Software	Patents & licences	Brand	Technical Development	Total
	£	£	£	£	£	£
Cost						
At 9 August 2018	-	-	-	-	-	-
Additions - separately acquired	-	175,716	-	-	-	175,716
Additions - business combinations	110,716,395	361,352	4,241	11,400,000	631,094	123,113,082
Exchange adjustments	-	(334)	-	-	-	(334)
At 31 December 2019	110,716,395	536,734	4,241	11,400,000	631,094	123,288,464
Amortisation and impairment						
At 9 August 2018	-	-	-	-	-	-
Amortisation charged for the Period	12,917,986	157,500	878	1,330,000	245,425	14,651,789
Exchange adjustments	-	(88)	-	-	-	(88)
At 31 December 2019	12,917,986	157,412	878	1,330,000	245,425	14,651,701
Carrying amount						
At 31 December 2019	97,798,409	379,322	3,363	10,070,000	385,669	108,636,763

The company had no intangible fixed assets at 31 December 2019.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 9 August 2018	-	-	-	-	-
Additions	6,448	90,614	281,905	279,918	658,885
Business combinations	9,306,610	150,556	3,968,204	370,168	13,795,538
Disposals	-	-	-	(402)	(402)
Exchange adjustments	-	(1,255)	(1,483)	(1,455)	(4,193)
At 31 December 2019	9,313,058	239,915	4,248,626	648,229	14,449,828
Depreciation and impairment					
At 9 August 2018	-	-	-	-	-
Depreciation charged in the Period	439,220	55,475	469,952	178,384	1,143,031
Exchange adjustments	-	(409)	(601)	(1,145)	(2,155)
At 31 December 2019	439,220	55,066	469,351	177,239	1,140,876
Carrying amount					
At 31 December 2019	8,873,838	184,849	3,779,275	470,990	13,308,952

The company had no tangible fixed assets at 31 December 2019.

The carrying value of land and buildings comprises:

	Group 2019 £	Company 2019 £
Freehold	1,000,000	-

14 Fixed asset investments

	Notes	Group 2019 £	Company 2019 £
Investments in subsidiaries	15	-	1

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

14 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 9 August 2018

-

Additions

1

At 31 December 2019

1

Carrying amount

At 31 December 2019

1

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
TDKP MidCo Limited	Western Gateway, Wrexham, LL13 7ZB	Holding Company	Ordinary	100.00	
TDKP BidCo Limited	Western Gateway, Wrexham, LL13 7ZB	Holding Company	Ordinary		100.00
TDKP Limited	Western Gateway, Wrexham, LL13 7ZB	Holding company	Ordinary		100.00
Callitech Limited	Western Gateway, Wrexham, LL13 7ZB	Communications products and services provider	Ordinary		100.00
Callitech US Inc	4055 Faber Place Drive Suite 301, North Charleston, South Carolina, SC29405, USA	Communications products and services provider	Ordinary		100.00
SIMPHOLD Limited	20-22 Wenlock Road, London, N1 7GU	Online solutions for business startups	Ordinary		100.00
Made Simple Group Limited	20-22 Wenlock Road, London, N1 7GU	Online solutions for business startups	Ordinary		100.00

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

16 Financial instruments

	Group 2019 £	Company 2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	21,920	-

The group purchased an interest rate cap that caps the maximum LIBOR rate on bank loans of £40,000,000 at 2.00% up to 31 December 2021.

The Instruments are valued at the discounted cash future cash flows and are estimated based on forward interest rates.

17 Debtors

	Group 2019 £	Company 2019 £
Amounts falling due within one year:		
Trade debtors	2,627,104	-
Corporation tax recoverable	-	16,164
Amounts owed by group undertakings	-	85,461,353
Derivative financial instruments	21,920	-
Other debtors	551,392	20,000
Prepayments and accrued income	735,983	-
	<u>3,936,399</u>	<u>85,497,517</u>

18 Creditors: amounts falling due within one year

	Group 2019 £	Company 2019 £
Trade creditors	885,838	-
Corporation tax payable	447,886	-
Other taxation and social security	1,458,325	-
Other creditors	3,217,137	-
Accruals and deferred income	2,271,552	36,000
	<u>8,280,738</u>	<u>36,000</u>

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

19 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	Company 2019 £
Loan notes	20	19,234,965	-
Bank loans and overdrafts	20	38,878,815	-
Other borrowings	20	76,932,409	76,932,409
Preference dividends payable		9,021,441	9,021,441
Accruals and deferred income		2,235,168	-
		<u>146,302,798</u>	<u>85,953,850</u>

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	<u>59,408,732</u>	<u>-</u>
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20 Loans and overdrafts

	Group 2019 £	Company 2019 £
Loan notes	19,234,965	-
Bank loans	38,878,815	-
Preference shares	76,932,409	76,932,409
	<u>135,046,189</u>	<u>76,932,409</u>
Payable after one year	<u>135,046,189</u>	<u>76,932,409</u>

Amounts included above which fall due after five years:

Payable other than by instalments	<u>59,408,732</u>	<u>-</u>
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TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

20 Loans and overdrafts

(Continued)

Interest of £2,235,168 has been accrued in respect of Loan Notes.

The 9,835,868 Series C1 10% Secured Loan Notes 2028 and payment in kind notes of £9,835,868 are repayable on 6 November 2028.

The 8,487,924 Series C2 10% Secured Loan Notes 2028 of £8,487,924 are repayable on 6 November 2028.

The 1,084,940 Series C3 10% Secured Loan Notes 2028 of £1,084,940 are repayable on 6 November 2028.

Loans notes are stated net of debt issue costs of £196,717 and will be released to the Profit and Loss Account evenly over the term of the Loan Notes. Debt Issue costs of £22,950 have been released to interest payable in the Profit and Loss Account.

The 9,835,868 Series C1 10% Secured Loan Notes 2028 and payment in kind notes are secured by fixed and floating charges over the assets of the Group.

The bank loans are secured by a fixed and floating charge over the assets of the Group.

Bank loans of £40,000,000 are repayable on 23 November 2025 and bear a variable interest rate of no more than 6.50% + LIBOR. 6.50% Represents the maximum rate payable based upon an average leverage calculation.

The bank borrowings are stated net of debt issue costs of £1,121,185. Debt issue costs of £205,238 have been released to interest payable in the Profit and Loss Account.

Preference shares of £77,634,908 have no fixed repayment date and are repayable on a Exit event. Preference shares carry a preferred return of 10% and £9,021,441 has been accrued in respect of preference shares. Preference shares are stated net of debt issue costs of £795,282. Debt issue costs of £92,783 has been released to interest payable in the Profit and Loss Account.

21 Provisions for liabilities

	Notes	Group 2019 £	Company 2019 £
Onerous Lease		226,290	-
Deferred tax liabilities	22	2,082,584	-
		<u>2,308,874</u>	<u>-</u>

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

21 Provisions for liabilities

(Continued)

Movements on provisions apart from deferred tax liabilities:

Group	Onerous Lease £
Acquired on acquisition	294,314
Reversal of provision	(2,247)
Utilisation of provision	(59,949)
Unwinding of discount	(5,828)
At 31 December 2019	<u>226,290</u>

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2019 £
Accelerated capital allowances	246,270
Assets measured at fair value	1,844,946
Other short term timing differences	(8,632)
	<u>2,082,584</u>

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
Movements in the Period:		
Liability at 9 August 2018	-	-
Credit to profit or loss	(251,548)	-
Other	2,334,132	-
Liability at 31 December 2019	<u>2,082,584</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

23 Retirement benefit schemes

	2019
Defined contribution schemes	£
Charge to profit or loss in respect of defined contribution schemes	363,867

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	Group and company 2019 £
Ordinary share capital	
Issued and fully paid	
420,623 Ordinary A Shares of 1p each	4,206
409,377 Ordinary B Shares of 1p each	4,094
131,200 Ordinary C Shares of 1p each	1,312
	<u>9,612</u>

The Company's Ordinary A shares which carry no right to fixed income, each carry the right to one vote at the general meetings of the company. The Company issued 1 Ordinary A Shares of 1 pence each on incorporation and a further 420,622 by the year end.

The Company's Ordinary B shares which carry no right to fixed income, each carry the right to one vote at the general meetings of the company. The Company issued 409,377 Ordinary B Shares of 1 pence by the year end.

The Company's Ordinary C shares which carry no right to fixed income or voting rights at the general meetings of the company. The Company issued 131,200 Ordinary C Shares of 1 pence by the year end.

25 Reserves

Share premium

Consideration received for shares issued above their nominal value less issuing costs.

Profit and Loss Account

Cumulative profit and loss net of distributions to owner.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

26 Acquisitions

On 6 November 2018 the group acquired 100% of the issued capital of TDKP Limited.

	Book Value £	Adjustments £	Fair Value £
Intangible assets	307,829	11,723,264	12,031,093
Property, plant and equipment	13,400,005	395,534	13,795,539
Trade and other receivables	5,137,616	-	5,137,616
Cash and cash equivalents	3,377,010	-	3,377,010
Borrowings	(11,044,095)	-	(11,044,095)
Trade and other payables	(9,160,848)	-	(9,160,848)
Tax liabilities	859,768	-	859,768
Provisions	(294,314)	-	(294,314)
Deferred tax	(217,708)	(2,112,527)	(2,330,235)
Total identifiable net assets	<u>2,365,263</u>	<u>10,006,271</u>	<u>12,371,534</u>
Goodwill			110,713,427
Total consideration			<u>123,084,961</u>
The consideration was satisfied by:			£
Cash			71,333,868
Loan notes			48,346,000
Directly attributable costs			3,405,093
			<u>123,084,961</u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			41,707,228
Profit after tax			<u>5,472,164</u>

27 Financial commitments, guarantees and contingent liabilities

The Bank Loans and Loans Notes in the wider Group are secured by way of fixed and floating charges over the assets of the Group. The Group had secured bank loans of £40,000,000 and Loan notes of £9,835,868 and accrued interest of £1,132,728 outstanding at the year end. Each company of the Group has provided a guarantee over the Loan Notes in the wider group to pay any amount due as if it was the principal obligor. The liability across the Group as at 31 December 2019 was £10,968,596.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	Company 2019 £
Within one year	461,599	-
Between two and five years	1,362,574	-
In over five years	810,000	-
	<u>2,634,173</u>	<u>-</u>

Operating leases comprise of rental relating to office leases, motor vehicles and office equipment.

29 Events after the reporting date

On 26th February 2020 the Group entered into a transaction to acquire 100% of the Share Capital of Going Beyond LLC, SimplyOne LLC and OpenAnswer LLC. All are US registered business that specialise in outsourced telephone answering services to small and medium enterprises. The total consideration payable by the Group is US\$20,000,000 and this has been financed by way of additional funding from the Company's bankers of US\$14,500,000 and the cash reserves of the Group and the acquired Company.

On 7th February 2020 the Company issued 2,700 Ordinary C Shares of 1 pence.

On 29th June 2020 the Company redeemed 2,700 Ordinary C Shares of 1 pence.

30 Related party transactions

Transactions with related parties

On 6 November 2018 ECI Partners LLP subscribed to 9,835,868 Series C1 10% Secured Loan Notes 2028 and payment in kind notes of £9,835,868. Interest of £1,132,728 has been accrued in respect of these loan notes and the balance outstanding at the Period End was £1,132,728. The Loan Notes are repayable on 6 November 2028.

On 6 November 2018 ECI Partners LLP subscribed to £39,343,471 Preference Shares. A preferred return of £4,571,845 has been accrued in respect of these loan notes and the balance outstanding at the Period End was £4,571,845. The Loan Notes are repayable on an Exit event.

On 6 November 2018 the directors and close family members subscribed to £5,916,810 of Series C2 10% Secured Loan Notes 2028 and £976,418 of Series C3 10% Secured Loan Notes 2028. Interest of £793,845 has been accrued in respect of these loans notes and the balance outstanding at the Period End is £793,845. The Loan Notes are repayable on 6 November 2028.

On 6 November 2018 the directors and close family members subscribed to £27,572,900 Preference Shares. A preferred return of £3,103,429 has been accrued in respect of these shares and the balance outstanding at the Period End is £3,103,429. The preference shares are repayable on an Exit event.

TDKP TOPCO LIMITED (FORMERLY HAMSARD 3511 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

31 Controlling party

TDKP TOP CO Limited is owned by a number of private shareholders and companies with no one person with significant control. Accordingly, there is no ultimate controlling party.

32 Cash generated from group operations

	2019
	£
Loss for the Period after tax	(22,365,418)
Adjustments for:	
Taxation charged	1,134,746
Finance costs	14,537,778
Investment income	(28,566)
Gain on disposal of tangible fixed assets	(8)
Amortisation and impairment of intangible assets	14,651,789
Depreciation and impairment of tangible fixed assets	1,143,031
(Decrease) in provisions	(68,024)
Movements in working capital:	
Decrease in debtors	1,223,138
(Decrease) in creditors	(1,382,486)
Cash generated from/(absorbed by) operations	8,845,980