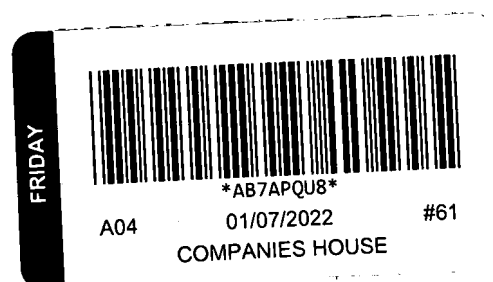


Registered number: 11239504

CE TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



CE TOPCO LIMITED

COMPANY INFORMATION

Directors	C Neale H Lenon R Bootle N Shearing G Elton J Steele (appointed 16 March 2021) S Butter (appointed 4 May 2021) K Stillwell (appointed 10 May 2021)
Registered number	11239504
Registered office	100 Victoria Street Westminster London SW1E 5JL
Independent auditor	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants 17th Floor 103 Colmore Row Birmingham B3 3AG

CE TOPCO LIMITED

CONTENTS

	Page
Group strategic report	1 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 10
Consolidated statement of comprehensive income	11
Consolidated statement of financial position	12
Company statement of financial position	13
Consolidated statement of changes in equity	14 - 15
Company statement of changes in equity	16
Consolidated statement of cash flows	17
Notes to the financial statements	18 - 44

CE TOPCO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

This strategic report is prepared in accordance with s414C of the Companies Act 2006. CE Topco Limited ("the Company") is the ultimate parent company of the Capital Economics Group ("the Group") which was established in 1999. The Group is principally engaged in the provision of economic research and analysis, most of which is sold in service packages for annual subscriptions.

The Company was incorporated on 7 March 2018. On 26 March 2018, CE Bidco Ltd ('CEB') a wholly owned indirect subsidiary of the Company, completed the secondary management buyout of the entire share capital of Capital Economics Research Limited ('CER'), together with its subsidiaries. The management buy-out was backed by Phoenix Equity Partners.

As at 31 December 2021, the Group was owned by funds managed by Phoenix Equity Partners, management and other investment funds.

Business review

The results represent the Group's activities for the financial year ending 31 December 2021. On a GAAP basis, Revenue for the Group was £24.0m (2020: £24.0m) and EBITDA (earnings before interest, taxation, depreciation and amortisation) for the Group was £6.6m (2020: £6.6m). The Group recorded a loss before taxation of £23.4m (2020: £24.9m).

Given that the Group's results are predominantly subscription based revenue, the Directors consider that billing is the most important measure of performance, as it captures the value of subscription services contracted immediately.

Billings for the Group were £24.2m (2020: £23.6m), and Adjusted Billings EBITDA (a measure of profit using billing, not revenue, less operating costs) was £8.3m (2020: £7.1m). The improvement in profitability was due to the growth in billings plus a normalisation of the cost base following the completion of the transition of the Group to a digital commercial operating model.

The Group recorded £21.2m (2020: £21.1m) amortisation of intangible assets arising from the acquisition of CER. This amortisation coupled with interest arising from the financing structure of business of £8.6m (2020: £10.3m) are the cause of large pre-tax losses in the Group despite recording strong EBITDA results.

At 31 December 2021 the Group had cash at bank of £9.9m (2020: £8.0m) and a revolving credit facility of £2m (2020: £2m), of which £nil (2020: £nil) was drawn down. The total drawn on the Group's term and multi-currency credit facility at the end of the year was £43m (2020: £43m) and the Group continues to meet covenant requirements. The directors are not aware, at the date of this report, of any other likely significant changes in the Group's activities in the current year.

CE TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Group's services

The Group has continued to innovate its service offering to add further value to clients.

Two new services, the Long-Run Service and the FX Markets Service, were added to our product base. These increase the reach and sophistication of the existing markets services, by taking a long view of the economy over the next 30 years, and providing in depth foreign currency insight respectively. Both new services have attracted strong interest from both existing and new customers.

CE Interactive was launched in late 2020 and its capabilities were expanded further in 2021. It is a data visualisation engine providing our clients with the raw data and insights behind our research and the tools to allow further analysis and presentation in flexible and varied ways. This enables numerous benefits to clients such as new views of data, longer views of data and an automated ability to refresh data and models.

Webinars and other forms of online interaction continued to be a very successful way of engaging with our customers in 2021. In particular the introduction of 'Drop-Ins', which are similar to a webinar but are rapidly formed in response to important global events. This results in incredibly timely and focused opinion.

Principal risks and uncertainties

The Group's operations are exposed to a variety of financial and operational risks which could have a material impact on the Group's long-term performance. At the period end the Group's key risks were considered to be set out below.

Competitive risks

There are a number of providers of independent economic research. In non-European markets, competition also arises from non-independent (i.e. delivered by finance providers as part of another service) sources of research. To remain competitive, Capital Economics maintains its unparalleled core expertise in macro-economic research and analysis. Differentiation is obtained through a long and successful track record delivering accurate and timely content whilst also continuing to expand and innovate the range of services.

Economic/Political risks

Russia Sanctions: Following Russia's invasion of Ukraine in February 2022, the UK, EU and US, among other states imposed sanctions on Russian companies and individuals. The size of sanction lists are unprecedented in recent years and trading with sanctioned individuals can carry material fines and penalties. This has affected a small number of Capital Economics customers in 2022 where proactive action has been taken in accordance with requirements and in some cases further action where deemed appropriate by the Board. Capital Economics has taken external advice to gain assurance in this area and reviews this risk regularly.

Covid-19: On 11 March 2020, the World Health Organisation announced that Covid-19 was a global pandemic and shortly after, businesses were asked by Governments to work remotely. The Group quickly and successfully transferred all its operations to remote working, without having to use furlough schemes, make any Covid-19 related redundancies or suffer any noticeable impact on financial performance. At time of writing, most employees are back to working hybrid (home and office working). The Group remains prepared and flexible to events like this that may occur in the future.

Brexit: The UK left the European Union on 31 January 2020. There was some uncertainty as to what the future trading relationship between the two entities would be until the EU-UK Trade and Cooperation Agreement was signed on 24 December 2020. Brexit has not made a significant impact on business operations.

The Group remains vigilant to legislation changes such as MiFID (II) which came into force in 2018 which can have an impact on the nature of the industry.

CE TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial risks

The Group's principal financial assets are bank deposits, and trade receivables.

Bank deposits: The majority of Group sales are prepaid annual subscriptions. As a result Capital Economics holds large cash balances which are offset by a current liability for services yet to be delivered to clients. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings from international credit-rating agencies.

Interest rate risk: The Group is financed through fixed rate loan notes and bank borrowings. The loan notes have fixed rate interest however, the bank revolving credit facility is at a variable market rate of interest. Due to the significant level of debt owed by the Group the risk of movements in interest rates is considered significant to the Group. However, any plausible scale of interest rate increase in the next few years would have little material impact on the Group's financial performance.

Foreign currency risk: The subscription services are priced in pounds sterling. However, the majority of transactions with clients in North America and Asia are priced and receipted in US dollars. In order to minimise the exposure to foreign exchange rate movements, US dollar balances are regularly reviewed and converted to sterling. The New York office which has exposure to US dollar costs, provides some natural hedging of the US dollar receipts. The Group uses USD forward contracts to mitigate the risk.

Credit risk: the level of receivables is closely monitored and clients are contacted two weeks after invoices are dispatched in order to check that they are being processed for payment.

Data Security risks

Data Security risks arise from a variety of different sources: external or internal agents via physical, social or virtual access, any of which can cause failure to service delivery as well as reputational damage with our clients. The Group ensures that its IT security policies and technology are in accordance with industry standard and review them on a regular basis.

Future developments

Following the appointment of a new senior management team in 2021, 2022 will see a continuation and evolution of strategic initiatives to boost the Group's growth. In particular, the Group has initiated an extensive roadmap of technological developments in order to greatly improve the customer experience. This major investment will include improving and expanding all forms of product infrastructure and will therefore further increase the options available to customers in the way in which they absorb our products.

The Group will continue to bring new products and services to market where demand for new or more extensive research and insight arise.

Furthermore the sales, marketing and customer service functions will leverage from the technological developments to become closer to the customer, maximising both the experience and efficiency of the function.

CE TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial key performance indicators

The Group's key financial key performance indicators ('KPI's') are total billings and billings EBITDA. Billings is the total amount raised as invoices from sales in the period, which is considered a more relevant measure of subscriptions performance than revenue, due to the deferred nature of revenue. Billings EBITDA measures the total billings, less the operating costs of the business. The Directors also consider cash flow from operating activities as a key measure of performance.

	2021	2020
	£000	£000
Total billings	24,217	23,626
Billings EBITDA	8,295	7,111
Cash flows from operating activities	5,538	5,098

2021 Billing results were up on 2020 by 2.5%, reflected also in increases to Billings EBITDA (up 17%) and cash flows from operating activities that were further bolstered by efficiencies created in the Group's operations.

29/6/2022

This report was approved by the board on

and signed on its behalf.

Joseph Steele

J Steele
Director

Sebastian Butter

S Butter
Director

CE TOPCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 Company and the Group 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 for the Group's financial statements 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 will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £23,934,000 (2020 - loss £25,453,000).

There were no dividends paid during the year.

Directors

The directors who served during the year were:

C Neale
H Lenon
R Bootle
N Shearing
G Elton
M Gault (resigned 7 May 2021)
J Steele (appointed 16 March 2021)
S Butter (appointed 4 May 2021)
K Stillwell (appointed 10 May 2021)

Matters covered in the Group strategic report

The business review, principal risks and uncertainties, future developments and KPIs have been included in the Group strategic report.

CE TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors confirm that:

so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and

the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Group has a stable, substantial client base and has net cash resources. The Group is funded by its bank debt, loan notes and preference shares, which are not due for repayment in the next 12 months. The directors therefore do not expect the need for additional external funding.

The directors have reviewed future trading and cash flow forecasts out to June 2023. Key sensitivities of client renewal rates, new client generation and uncontrolled operational costs have been considered to determine what results are likely and what is feasible. After reviewing the Group's forecasts, projections and considering reasonable downside sensitivities, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence by meeting debts as they fall due and satisfying covenant tests for the foreseeable future. The Group and Company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Auditor

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

This report was approved by the board on 29/6/2022 and signed on its behalf.

Joseph Steele

**J Steele
Director**

Sebastian Butter

**S Butter
Director**

CE TOPCO LIMITED

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

Opinion

We have audited the financial statements of CE Topco Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company statement of financial position, Consolidated Statement of changes in Equity, Company Statement of changes in Equity, Consolidated Statement of cash flows and 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 Financial Reporting Standard 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 31 December 2021 and of the Group's loss for the year 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 Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the parent company's business model including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

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.

CE TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CE TOPCO LIMITED (CONTINUED)

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matter on which we are required to report by exception

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

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

CE TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CE TOPCO LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group and parent company are subject to many laws and regulations within the countries in which the Group and parent company operate, where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur, both within the UK and the countries within which the Group and parent company operate overseas; financial reporting legislation, Companies Act legislation, tax legislation, anti-bribery legislation and employment law;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- We understood how the Group and parent company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes;
- We assessed the susceptibility of the Group's and Parent's financial statements to material misstatement, including how fraud might occur by meeting with management from different parts of the business to

CE TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CE TOPCO LIMITED (CONTINUED)

understand where it is considered there was a susceptibility of fraud;

- Audit procedures performed by the engagement team included:
 - evaluation of the programmes and controls established to address the risks related to irregularities and fraud
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions.

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 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.

Grant Thornton UK LLP

Matthew Buckingham BSc ACA

Senior Statutory Auditor

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Birmingham

Date: 29/6/2022

CE TOPCO LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Before amortisation 2021 £000	Amortisation of intangible fixed assets (note 12) 2021 £000	Total 2021 £000	Before amortisation 2020 £000	Amortisation of intangible fixed assets (note 12) 2020 £000	Total 2020 £000
	Note						
Turnover	4	24,004	-	24,004	23,973	-	23,973
Other operating income	5	305	-	305	610	-	610
Other external charges		(4,458)	-	(4,458)	(4,521)	-	(4,521)
Staff costs		(13,262)	-	(13,262)	(13,467)	-	(13,467)
Depreciation and amortisation		(130)	(21,164)	(21,294)	(89)	(21,054)	(21,143)
Operating loss	6	6,459	(21,164)	(14,705)	6,506	(21,054)	(14,548)
Interest payable and similar expenses	10	(8,646)	-	(8,646)	(10,345)	-	(10,345)
Loss before tax		(2,187)	(21,164)	(23,351)	(3,839)	(21,054)	(24,893)
Tax on loss	11	(583)	-	(583)	(560)	-	(560)
Loss for the financial year		(2,770)	(21,164)	(23,934)	(4,399)	(21,054)	(25,453)
Foreign currency translation differences				57			(26)
Other comprehensive income for the year				57			(26)
Total comprehensive income for the year				(23,877)			(25,479)

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 44 form part of these financial statements.

CE TOPCO LIMITED
REGISTERED NUMBER: 11239504

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	12	28,766	49,452
Tangible assets	13	303	206
		<u>29,069</u>	<u>49,658</u>
Current assets			
Debtors: amounts falling due after more than one year	15	462	462
Debtors: amounts falling due within one year	15	7,619	6,242
Cash at bank and in hand	16	9,927	8,044
		<u>18,008</u>	<u>14,748</u>
Creditors: amounts falling due within one year	17	(16,609)	(16,303)
Net current assets/(liabilities)		<u>1,399</u>	<u>(1,555)</u>
Total assets less current liabilities		<u>30,468</u>	<u>48,103</u>
Creditors: amounts falling due after more than one year	18	(121,233)	(115,356)
Provisions for liabilities			
Deferred tax	21	(363)	-
Other provisions	22	(416)	(416)
		<u>(779)</u>	<u>(416)</u>
Net liabilities		<u>(91,544)</u>	<u>(67,669)</u>
Capital and reserves			
Called up share capital		100	100
Share premium account	24	702	700
Foreign exchange reserve	24	174	117
Profit and loss account	24	(92,520)	(68,586)
		<u>(91,544)</u>	<u>(67,669)</u>

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

29/6/2022
Joseph Steele
J Steele
Director

29/6/2022
Sebastian Butter
S Butter
Director

CE TOPCO LIMITED
REGISTERED NUMBER: 11239504

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	14	24,195	24,195
Current assets			
Debtors: amounts falling due within one year	15	11,003	9,288
Creditors: amounts falling due within one year	17	(1,732)	(773)
Net current assets		<u>9,271</u>	<u>8,515</u>
Total assets less current liabilities		<u>33,466</u>	<u>32,710</u>
Creditors: amounts falling due after more than one year	18	(42,718)	(39,693)
Net liabilities		<u>(9,252)</u>	<u>(6,983)</u>
Capital and reserves			
Called up share capital		100	100
Share premium account	24	702	700
Profit and loss account	24	(10,054)	(7,783)
		<u>(9,252)</u>	<u>(6,983)</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The loss after tax of the parent Company for the year was £2,272,000 (2020: £3,214,000).

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

29/6/2022

Joseph Steele

J Steele
Director

29/6/2022

Sebastian Butter

S Butter
Director

The notes on pages 18 to 44 form part of these financial statements.

CE TOPCO LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2021	100	700	117	(68,586)	(67,669)
Comprehensive expense for the year					
Loss for the year	-	-	-	(23,934)	(23,934)
Foreign currency translation differences	-	-	57	-	57
Other comprehensive expense for the year	-	-	57	-	57
Total comprehensive expense for the year	-	-	57	(23,934)	(23,877)
Shares issued during the year	-	2	-	-	2
At 31 December 2021	100	702	174	(92,520)	(91,544)

The notes on pages 18 to 44 form part of these financial statements.

CE TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Foreign exchange reserve	Treasury reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2020	100	700	143	(16)	(43,133)	(42,206)
Comprehensive expense for the year						
Loss for the year	-	-	-	-	(25,453)	(25,453)
Foreign currency translation differences	-	-	(26)	-	-	(26)
Total comprehensive expense for the year	-	-	(26)	-	(25,453)	(25,479)
Transactions with owners						
Movement during the period	-	-	-	16	-	16
Total transactions with owners	-	-	-	16	-	16
At 31 December 2020	100	700	117	-	(68,586)	(67,669)

The notes on pages 18 to 44 form part of these financial statements.

CE TOPCO LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	100	700	(7,783)	(6,983)
Comprehensive expense for the year				
Loss for the year	-	-	(2,271)	(2,271)
Total comprehensive expense for the year	-	-	(2,271)	(2,271)
Transactions with owners				
Shares issued during the year	-	2	-	2
At 31 December 2021	100	702	(10,054)	(9,252)

The notes on pages 18 to 44 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	100	700	(4,569)	(3,769)
Comprehensive expense for the year				
Loss for the year	-	-	(3,214)	(3,214)
Total comprehensive expense for the year	-	-	(3,214)	(3,214)
At 31 December 2020	100	700	(7,783)	(6,983)

The notes on pages 18 to 44 form part of these financial statements.

CE TOPCO LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Loss for the financial year		(23,934)	(25,453)
Adjustments for:			
Amortisation of intangible assets	12	21,164	21,054
Depreciation of tangible assets	13	130	89
Interest charge	10	8,646	10,345
Taxation charge	11	583	560
(Increase) in debtors		(833)	(55)
Increase/(decrease) in creditors		126	(537)
Corporation tax (paid)		(345)	(905)
Net cash generated from operating activities		5,537	5,098
Cash flows from investing activities			
Purchase of intangible fixed assets	12	(478)	(565)
Purchase of tangible fixed assets	13	(225)	(116)
Net cash from investing activities		(703)	(681)
Cash flows from financing activities			
Interest paid		(2,953)	(3,269)
Loan to Employee Benefit Trust		(59)	(709)
Net cash used in financing activities		(3,012)	(3,978)
Net increase in cash and cash equivalents		1,822	439
Cash and cash equivalents at beginning of year		8,044	7,608
Exchange differences on cash and cash equivalents		61	(3)
Cash and cash equivalents at the end of year		9,927	8,044
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand	16	9,927	8,044
		9,927	8,044

The notes on pages 18 to 44 form part of these financial statements.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

The Company is a limited company incorporated in the United Kingdom. The registered office of the Company is 100 Victoria Street, London, England, SW1E 5JL.

The principal activity of the Company is as a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

In preparing the consolidated financial statements, advantage has been taken of the disclosure exemption available in FRS 102 not to disclose related party transactions between wholly owned parts of the Group.

The Company is registered in the United Kingdom.

Parent company disclosure exemptions

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliations of the Group and the Company would be identical;
- No statement of cash flows has been presented for the Company;
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

2.3 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination.

2.4 Going concern

The directors note that the Group incurred a loss of £23,663k for the year ended 31 December 2021 (2020: £25,453k) and that, as of that date, the Group's liabilities exceeded its total assets by £91,273k (2020: £67,669k). The directors have reviewed future trading and cash flow forecasts out to June 2023. Key sensitivities of client renewal rates, new client generation and uncontrolled operational costs have been considered to determine what results are likely and what is feasible. The Group has a stable, substantial client base and has net cash resources. The Group is funded by its bank debt, loan notes and preference shares, which are not due for repayment in the next 12 months. The directors therefore do not expect the need for additional external funding.

After reviewing the Group's forecasts, projections and considering reasonable downside sensitivities, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence by meeting debts as they fall due and satisfying covenant tests for the foreseeable future. The Company and Group therefore continue to adopt the going concern basis in preparing its consolidated financial statements.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

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

the amount of revenue can be measured reliably;

it is probable that the Group will receive the consideration due under the contract;

the stage of completion of the contract at the end of the reporting period can be measured reliably; and

the costs incurred and the costs to complete the contract can be measured reliably.

The majority of turnover derives from regular pieces of written economic research and analysis, which are sold in packages as subscriptions. These subscriptions are recognised on a straight-line basis over the subscription period.

Ad hoc projects include income generated from speaking at events, consultancy and commissioned projects which are recognised over the period of the contract as the work is performed and the service is provided to the customer.

2.7 Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.8 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.9 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.10 Interest payable

Interest payable and similar expenses are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument

2.11 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the parent. All intra Group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

2.12 Borrowing costs

Borrowing costs relating to loan notes and bank debt are capitalised in the statement of financial position in the period in which they are incurred and amortised over the period of the loan through the statement of comprehensive income.

All other borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.14 Current and deferred taxation

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

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

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

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)
2.15 Intangible assets
Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	5	years
Brand	-	10	years
Software	-	4	years

2.16 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- 20% straight line
Fixtures and fittings	- 25%-50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

Short-term 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.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.21 Financial instruments**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Where the terms of a Financial Instrument incur substantial modification, the instrument is extinguished and a new instrument is recognised. Substantial modification occurs where the present value of the modified cash flows is at least 10% different to the present value of the remaining original cash flows. Any difference in the carrying amount of the extinguished and newly recognised instruments is recognised in the profit and loss as interest expense.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

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 income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

No derivatives have been included in the statement of financial position as at the reporting date on the grounds of immateriality.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Significant management estimates
Useful economic lives of intangible assets (note 13)

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually.

Investment and intangible asset impairment (notes 13 and 15)

The directors consider the carrying value of investment and intangible assets to be recoverable based on the trading performance and position of the underlying entities.

Intercompany loans (note 16)

The directors make an assessment over the recoverability of amounts owed by Group undertakings based on their knowledge of those entities and make provision for any amount considered unrecoverable.

4. Turnover

The whole of the turnover is attributable to the Group's principal activities.

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	7,172	6,232
Rest of Europe	3,893	3,875
Rest of the world	12,939	13,866
	<u>24,004</u>	<u>23,973</u>

5. Other operating income

	2021 £000	2020 £000
Rental income	203	570
Other operating income	102	40
	<u>305</u>	<u>610</u>

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Operating loss

The operating (loss)/profit is stated after charging:

	2021	2020
	£000	£000
Depreciation	130	89
Amortisation	21,164	21,054
Exchange differences	282	114
Other operating lease rentals	1,111	1,228
	<u>1,111</u>	<u>1,228</u>

7. Auditor's remuneration

	2021	2020
	£000	£000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	25	21
Fees payable to the Company's auditor and its associates for the audits of the Company's subsidiaries	75	68
	<u>75</u>	<u>68</u>

Fees payable to the Group's auditor and its associates in respect of:

Overseas tax compliance services	25	32
Tax advisory services	4	4
Other services	5	5
	<u>5</u>	<u>5</u>

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £000	Group 2020 £000
Wages and salaries	11,839	11,958
Social security costs	1,288	1,338
Cost of defined contribution scheme	135	171
	<u>13,262</u>	<u>13,467</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Directors	6	6
Economists	67	69
Sales	49	61
Admin	16	13
	<u>138</u>	<u>149</u>

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL)

9. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	1,432	1,366
Company contributions to defined contribution schemes	14	5
	<u>1,446</u>	<u>1,371</u>

The highest paid director received remuneration of £388,600 (2020: £385,000).

During the year retirement benefits were accruing to 5 directors (2020 - 4) in respect of defined contribution pension schemes.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,428 (2020: £1,314).

Management consider there are no other key management personnel other than the directors.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Interest payable and similar expenses

	2021	2020
	£000	£000
Bank interest payable	2,953	3,102
Preference share return	2,955	3,556
Loan note interest payable	2,432	3,267
Amortisation of debt arrangement fees	306	420
	<u>8,646</u>	<u>10,345</u>

11. Taxation

	2021	2020
	£000	£000
Corporation tax		
Current tax on loss for the period	735	738
Adjustments in respect of previous periods	(169)	(7)
Double taxation relief	(79)	(66)
Foreign tax on income for the year	96	72
Total current tax	<u>583</u>	<u>737</u>
Deferred tax		
Current period	36	(318)
Adjustment in respect of previous periods	-	158
Changes to tax rates	(36)	(17)
Total deferred tax	<u>-</u>	<u>(177)</u>
Taxation on profit on ordinary activities	<u>583</u>	<u>560</u>

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Loss on ordinary activities before tax	(23,351)	(24,893)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(4,437)	(4,730)
Effects of:		
Expenses not deductible for tax purposes	4,721	5,042
Transfer pricing adjustments	77	14
Deferred tax not provided	312	130
Effects of overseas tax rates	23	-
Utilisation of tax losses	95	-
Adjustments to tax charge in respect of prior periods	(169)	156
Non-taxable income	(3)	(35)
Tax rate changes	(36)	(17)
Total tax charge for the year	583	560

In the spring budget 2021, the Government announced that the corporation rate would increase to 25% with effect from 1 April 2023. The new law was subsequently enacted on 24 May 2021.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Intangible assets**Group**

	Brand £000	Software £000	Goodwill £000	Total £000
Cost				
At 1 January 2021	3,059	1,719	102,186	106,964
Additions	-	478	-	478
At 31 December 2021	3,059	2,197	102,186	107,442
Amortisation				
At 1 January 2021	841	468	56,203	57,512
Charge for the year on owned assets	306	422	20,436	21,164
At 31 December 2021	1,147	890	76,639	78,676
Net book value				
At 31 December 2021	1,912	1,307	25,547	28,766
At 31 December 2020	2,218	1,251	45,983	49,452

Goodwill and intangible assets are amortised over their useful lives of 5 and 10 years. The remaining amortisation period as at 31 December 2021 was 15 months for goodwill and 75 months for the brand.

Software is amortised over its useful life of 4 years.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible fixed assets**Group**

	Short-term leasehold property £000	Fixtures and fittings £000	Total £000
Cost			
At 1 January 2021	317	686	1,003
Additions	-	225	225
Disposals	-	(139)	(139)
Exchange adjustments	-	(4)	(4)
At 31 December 2021	<u>317</u>	<u>768</u>	<u>1,085</u>
Depreciation			
At 1 January 2021	317	480	797
Charge for the year on owned assets	-	130	130
Disposals	-	(139)	(139)
Exchange adjustments	-	(6)	(6)
At 31 December 2021	<u>317</u>	<u>465</u>	<u>782</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>303</u>	<u>303</u>
At 31 December 2020	<u>-</u>	<u>206</u>	<u>206</u>

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Fixed asset investments**Company**

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	24,195
At 31 December 2021	24,195

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
CE Finco Limited *	100 Victoria Street, London, SW1E 5JL	Intermediate holding company	Ordinary	100%
CE Cleanco Limited **	100 Victoria Street, London, SW1E 5JL	Intermediate holding company	Ordinary	100%
CE Bidco Limited **	100 Victoria Street, London, SW1E 5JL	Intermediate holding company	Ordinary	100%
CE Nominees Limited **	100 Victoria Street, London, SW1E 5JL	Intermediate holding company	Ordinary	100%
Capital Economics Research Limited **	100 Victoria Street, London, SW1E 5JL	Intermediate holding company	Ordinary	100%
Capital Economics Limited **	1209 Orange Street, Wilmington, New Castle, Delaware 19801	Economic consultants	Ordinary	100%
Capital Economics (USA) Inc **	100 Victoria Street, London, SW1E 5JL	Economic consultants	Ordinary	100%
Capital Economics (N.A.) Limited **	1 Marina Boulevard, #28-00, Singapore	Economic consultants	Ordinary	100%
Capital Economics (Asia) Pte. Ltd **	58 Gipps Street, Collingwood, Vic 3086. Australia	Economic consultants	Ordinary	100%
Capital Economics (Australia) Pty. Ltd **	19th Floor, Edinburgh Tower, The Landmark, 15 Queen's Road, Central, Hong Kong	Economic consultants	Ordinary	100%
Capital Economics (HK) Limited **		Economic consultants	Ordinary	100%

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

* Direct subsidiary of the company.

** Indirect subsidiary of the company.

The Company has provided a parent guarantee to CE Nominees Limited an indirect subsidiary company (which is not significant to the Group) under s479C of the Companies Act 2006 to allow it to take exemption from audit.

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
	£000	£000
CE Finco Limited *	10,251	(3,137)
CE Cleanco Limited **	24,069	(22)
CE Bidco Limited **	10,138	(3,509)
CE Nominees Limited **	(1)	-
Capital Economics Research Limited **	16,490	(200)
Capital Economics Limited **	21,568	5,622
Capital Economics (USA) Inc **	(3,393)	149
Capital Economics (N.A.) Limited **	10,563	167
Capital Economics (Australia) Pty. Ltd **	(1,556)	21
Capital Economics (Asia) Pte. Ltd **	2,612	218
Capital Economics (HK) Limited **	-	(7)

CE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Due after more than one year				
Other debtors	462	462	-	-
	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Due within one year				
Trade debtors	4,684	3,970	-	-
Amounts owed by group undertakings	-	-	9,824	9,255
Other debtors	1,543	1,518	1,174	33
Prepayments and accrued income	848	754	5	-
Corporation tax	181	-	-	-
Deferred taxation	363	-	-	-
	7,619	6,242	11,003	9,288

An impairment provision of £127,214 (2020: £122,182) has been recognised against trade debtors. A loss of £5,032 has been recognised to the profit and loss (2020: gain of £15,308).

For the Company: Amounts owed by Group undertakings are unsecured, repayable on demand and interest is charged at 7.2% (2020: 8.5%) on the balance owed by CE Finco Limited. £692k of interest was charged in the year (2020: £752K) on the balance which was £9,802k at 31 December 2021 (2020: £9,230k).

16. Cash and cash equivalents

	Group 2021 £000	Group 2020 £000
Cash at bank and in hand	9,927	8,044

CE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****17. Creditors: Amounts falling due within one year**

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade creditors	529	235	-	-
Amounts owed to group undertakings	-	-	1,630	494
Amounts owed to related parties	-	30	-	-
Corporation tax	-	-	-	126
Other taxation and social security	239	249	-	-
Other creditors	74	54	-	-
Accruals and deferred income	15,767	15,735	102	153
	16,609	16,303	1,732	773

For the Company: Amounts owed to group undertakings carry no interest, are unsecured and repayable on demand.

18. Creditors: Amounts falling due after more than one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Loan notes	33,753	33,753	-	-
Bank loans	42,045	40,942	-	-
Accruals and deferred income	5,928	346	3,211	187
Share capital treated as debt	39,507	40,315	39,507	39,506
	121,233	115,356	42,718	39,693

Loan notes attract a coupon rate of 7.5% at 31 December 2021 (2020: 7.5%) and are redeemable at the earlier of 25 March 2028 or the sale or listing of the Group. Interest is payable annually; however, the Company has the option to defer and compound until redemption date which it has elected to do each payment date since the Loan Notes were raised on 26 March 2018. The loan notes are unsecured.

On 26 March 2018, £30,635,938 loan notes were raised at a 10% rate of interest.

On 17 April 2019, £4,518,222 of loan notes were redeemed along with £481,778 of interest. This was financed through a £5,000,000 drawdown of an existing loan in CE Bidco Ltd, an indirect subsidiary of the company.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Creditors: Amounts falling due after more than one year (continued)

On 9 December 2020, the Loan Note Agreement was amended to adjust the interest coupon from 10% to 7.5% between 9th December and 1st January 2025. This change resulted in substantially different terms therefore, the original Debt was derecognised. The new debt recognised in its place meets the conditions of a basic financial instrument. As the debt has the option to defer interest payments, it was considered a financing transaction therefore, initial measurement of £33,753,336 was calculated as the present value of future payments discounted at the market rate of interest.

At 31 December 2021, the debt was measured at Amortised Cost using the Effective Interest Method. The Effective Interest Rate was determined to be 7.57%, determining a closing balance of debt of £36,469,912. The difference of £2,557,832 (less £158,744 interest between 09th December and 31 December 2020) was recorded to the Profit and Loss as interest expense.

The Loan notes have been listed on The International Stock Exchange since 12 September 2018.

Bank loans comprise a multi-currency revolving credit facility of £43,000,000 (2020: 43,000,000) netted off by debt issue costs incurred of £955,437 (2020: £1,249,412). The facility requires quarterly interest-only payments, is secured by a fixed and floating charge over the assets of the Group, is due to be repaid in full on 26 March 2025 and is considered a basic financial instrument. Interest is charged on the loan at 6.75% above LIBOR. The facility was first entered into on 26 March 2018 with a drawdown of £38,000,000. On 29 March 2019 a further £5,000,000 was drawn down as an executed option of the agreement. Total Debt costs of £2,057,826 were capitalised on initial draw down of the bank loan in 2018. In the year ended 31 December 2021 £293,975 (2020: £293,976) was released to the statement of comprehensive income.

The preferred ordinary shares are considered to be a debt-like instrument, rank ahead of equity and are entitled to a preferred amount of 10% which is payable inter alia on any return of capital. The 30,635,938 shares have value of £0.0001 each and were purchased for £1.00 each. Interest is charged to the statement of comprehensive income annually and compounded. The new debt recognised in its place (again considered to be a debt-like instrument) meets the conditions of a basic financial instrument. As the debt has the option to defer interest (distributions), it was considered a financing transaction therefore, initial measurement of £39,506,565 was calculated as the present value of future payments discounted at the market rate of interest.

At 31 December 2021, the debt was measured at Amortised Cost using the Effective Interest Method. The Effective Interest Rate was determined to be 7.65%, determining a closing balance of debt of £42,718,230. The difference of £3,211,665 (less £186,709 interest between 09th December and 31 December 2020) was recorded to the Profit and Loss as interest expense.

The Group entered into a revolving credit facility on 27 April 2018 for £2m, of which £Nil was drawn down at 31 December 2020 (2020: £Nil).

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Borrowings summary

The maturity of sources of debt finance are as follows:

	Loans and overdrafts 2021 £000	Loan notes* 2021 £000	Preference shares* 2021 £000	Total 2021 £000
Group				
Within one year or on demand	-	-	-	-
Later than 1 year and not later than 2 years	-	36,470	42,718	79,188
Later than 2 year and not later than 5 years	42,045	-	-	42,045
	<u>42,045</u>	<u>36,470</u>	<u>42,718</u>	<u>121,233</u>

*Both Loan Notes and Preference Shares are payable in March 2026 or on investment exit. Current judgement of exit date is 31 December 2023.

20. Financial risk management

The Group has exposures to four main areas of risk – interest rate risk, foreign exchange currency exposure, liquidity risk and customer credit exposure.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The main interest rate risk affecting the Group relates to changes in the bank's base rate as the Group's bank loan facility incurs interest at a floating rate.

Foreign exchange currency exposure

The Group is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non Sterling currencies. The net exposure of each currency is monitored and managed using natural hedging with foreign currency cash holdings and bank loans denominated in US dollars.

Liquidity risk

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through operating cashflows. In the event that the operating cashflows would not cover all the financial obligations the Group has credit facilities available. Given the maturity of the debts, the Group is in a position to meet its commitments and obligations as they come due.

Customer credit exposure

The Group offer credit terms to customers which allow payment of the debt after services may have been provided. The Group is at risk to the extent that the customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on going customer relationships.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Deferred taxation

	2021	2020
	£000	£000
Group - liability		
At beginning of period	421	429
Arising on business combination	-	-
Movement in statement of comprehensive income	(58)	(8)
	<u>363</u>	<u>421</u>

The deferred taxation liability is made up as follows:

	2021	2020
	£000	£000
Intangible assets recognised on business combination	<u>363</u>	<u>421</u>

	2021	2020
	£000	£000
Group - asset		
At beginning of period	421	252
Movement in statement of comprehensive income	(58)	169
	<u>363</u>	<u>421</u>

The deferred taxation asset is made up as follows:

	2021	2020
	£000	£000
Capital allowances in excess of depreciation	13	52
Short term timing differences	350	369
	<u>363</u>	<u>421</u>

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Provisions**Group**

	Property provision £000
At 1 January 2021	416
At 31 December 2021	416

The provision represents a dilapidation provision in respect of certain properties rented by the Group. Of this provision, £Nil is expected to be utilised during 2022 in settlement of dilapidations on exited properties.

The Company has no provisions at 31 December 2021 (2020: £Nil).

23. Share capital

	2021 £000	2020 £000
Shares classified as equity		
Allotted, called up and fully paid		
800,000 A Ordinary shares of £0.1000 each	80	80
200,000 B Ordinary shares of £0.1000 each	20	20
2 Deferred Ordinary shares of £0.0100 each	-	-
	100	100

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Share capital (continued)

	2021	2020
	£000	£000
Shares classified as debt		
Allotted, called up and fully paid		
30,635,936 Preferred ordinary shares of £0.0001 each	3	3

The A ordinary shares are held by funds controlled by Phoenix Equity Partners Limited, management and other institutional investors. The B & C ordinary shares are held in trust by CE Nominees Limited on behalf of management.

In 2020, 3,000 C Ordinary Shares with nominal value of £0.10 were authorised for issue. On 21 April 2021, 1,972 were issued.

Rights of each class of share:

The A and B ordinary shares rank parri passu and carry one vote per share.

The C ordinary shares rank parri passu with the A & B Ordinary Shares but have no voting rights.

The Preferred ordinary shares are considered to be a debt like instrument, rank ahead of equity and are entitled to a preferred amount of 10% which is payable inter alia on any return of capital.

The Deferred shares rank after all other shares, have no voting rights and are entitled to a return of capital on liquidation.

24. Reserves**Share premium account**

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

Foreign exchange reserve

Comprises translation differences arising from the translation of financial statements of the Group's foreign entities into sterling (£).

Profit and loss account

Includes all current and prior period profits and losses.

25. Contingent liabilities

As at 31 December 2021 the Group had commitments under financial guarantees of USD262,000 (2020: USD262,000) in respect of HSBC Bank US N.A.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £134,644 (2020: £171,139). There was £6,048 (2020: £23,635) payable to the fund at the year end and this amount is included in other creditors.

27. Commitments under operating leases

At 31 December 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £000	Group 2020 £000
Not later than 1 year	1,173	1,225
Later than 1 year and not later than 5 years	2,692	3,300
Later than 5 years	-	193
	<hr/> 3,865 <hr/>	<hr/> 4,718 <hr/>

The Group and the Company had no other commitments under the non-cancellable operating leases as at the reporting date.

28. Related party transactions

The Group has taken exemptions available in FRS 102 and therefore not disclosed transactions or balances with wholly owned entities which form part of the Group.

Included within trade debtors at the period end is an amount of £5,470 (2020: £Nil) due from Roger Bootle Limited which is a company controlled by one of the directors. During the period income of £49,236 (2020: £51,506) has also been received by the Group from this company in relation to office services.

Directors held 136,229 (2020: 136,229) A ordinary shares, 48,500 (2020: 52,500) B ordinary shares, 727 (2020: £Nil) C ordinary shares, 5,216,910 (2020: 5,216,910) Preferred ordinary shares, and £5,216,910 (2020: £5,216,910) loan notes as at 31 December 2021. Accrued interest on the loan notes from date of acquisition to 31 December 2021 was £2,078,733 (2020: £1,571,540), and the accrued, preferred amount accrued on the Preferred ordinary shares was £2,078,733 (2020: £1,571,540).

Included within creditors at the period end is an amount of £30,419 (2020: £30,000) due to Phoenix Equity Partners Ltd which provides Key Management Personnel ("KMP") to the Group. During the period expenses of £100,423 (2020: £100,000) were also incurred by the Group from this company related to the provision of KMP.

CE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

29. Controlling party

CE Topco Limited does not have a single ultimate controlling party by virtue that no single shareholder holds more than 50% of the voting rights. These financial statements are the highest level for which consolidated financial statements for CE Topco Limited and its subsidiaries are prepared.

30. Analysis of net debt

	As at 1 January 2021 £000	Cash flows £000	Non-cash cash movements £000	As at 31 December 2021 £000
Cash at bank and in hand				
Cash at bank and in hand	8,044	1,883	-	9,927
Loans due after more than one year				
Unsecured loan notes	(33,912)	-	(2,558)	(36,470)
Arrangement fees in respect of loan notes	-	-	-	-
Preferred ordinary shares	(39,693)	-	(3,025)	(42,718)
Arrangement fees in respect of preferred ordinary shares	-	-	-	-
Bank loans	(43,000)	-	-	(43,000)
Arrangement fees in respect of bank loans	1,249	-	(294)	955
	<u>(115,356)</u>	<u>-</u>	<u>(5,877)</u>	<u>(121,233)</u>
Total	<u>(107,312)</u>	<u>1,883</u>	<u>(5,877)</u>	<u>(111,306)</u>

Non-cash movements relate to:

- Accrued interest on loan notes during the year (£2,558K).
- Accrued distributions (treated as interest) on preference shares during the year (£3,025k).
- Arrangement fees amortisation on Senior Debt (£294K).

There are no restrictions over the use of the cash and cash equivalents balances which comprises cash at bank and in hand, and bank overdrafts.