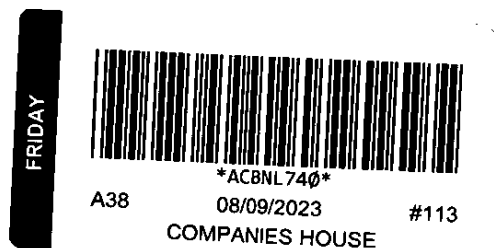


Company Registration No. 13789841 (England and Wales)

TC TOPCO LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2022

tc accounts · tax · legal · financial planning



TC TOPCO LIMITED**CONTENTS**

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TC TOPCO LIMITED

COMPANY INFORMATION

Directors	R Keyes	(Appointed 9 December 2021)
	G Bartholomew	(Appointed 9 December 2021)

Company number	13789841
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Registered office	The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
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Auditor	Champion Accountants LLP 2nd Floor Refuge House 33-37 Watergate Row Chester CH1 2LE
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TC TOPCO LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The board is pleased to present their report together with the audited consolidated financial statements of TC Topco Limited ("the Company") for the period ended 31 December 2022.

These consolidated financial statements comprise the financial statements of the Company together with its subsidiary undertakings ("the Group"). The subsidiary undertakings of the Company are set out in note 14 to the financial statements.

The Company was incorporated on the 8th December 2021, and acquired control of the TC Group of accountancy and professional firms on 8th December 2021.

The principal activity of the Company is that of a group holding entity, which controls the interest in the TC Group of entities. The principal activity of the TC Group of entities is that of the provision of accountancy and professional services to clients.

Business performance

The group of trading companies acquired by TC Topco Limited have continued to generate significant growth throughout 2022 compared to their performance during 2021 (as reported in the consolidated financial statements of BOKS Holdings Limited for the year ended 31 December 2021). This has been achieved through a combination of organic growth and the expansion of its service offering, as well as the impact of acquisitions which completed in both the current and previous years. In particular, during the financial year ended 31 December 2021 the Group completed nine acquisitions with a combined annual turnover of over £14million, and so the Group's 2022 turnover reflects a full year of those companies' trading.

The Key Performance Indicator of this company, which is monitored carefully by the directors, is turnover. The turnover for the year ended 31 December 2022 was £36,403,385 which represents an increase of £48% on the turnover of £24,568,203 achieved by the group in the prior year (as reported in the consolidated financial statements of BOKS Holdings Limited for the year ended 31 December 2021). These earnings are key to enable us to recruit and retain our highly skilled workforce and to continually invest in technology which enhances our service offering to our clients. The directors are satisfied with the performance of the company for the year.

During 2022 the Group has continued to expand its geographical reach across the UK with new offices established in the North East (Leeds and County Durham) as well as consolidating its presence in the Bristol area through acquisitions into existing TC offices.

Business strategy

The Group's ethos and services are focussed on supporting owner-managed, predominantly small to medium sized businesses through the UK. These businesses continue to form the cornerstone of the UK economy and the Group provides a full range of professional services tailored to assist the individual business and its stakeholders to achieve growth and their financial goals.

TC Group provides a full range of services for the entire business journey. Unlike many of our competitors, traditional accountancy, tax and audit services are integrated with in-house expertise to deliver business management, financial planning, human resource and legal support services as part of a pro-active, holistic approach.

The strategic focus of the Group is on profitable and sustainable growth, both in the development of our existing offices and through strategic acquisitions and partnerships, as well as continuing to build and upskill our overseas outsourcing operations so that we can continue to offer our clients a full range of services at competitive prices.

Business strategy (continued)

The key asset of the Group is its people. The majority of the Group's new business is won by the formation of strong relationships between the client and the team delivering the services to the client. In order to support those teams with those relationships, and as part of our quality control risk management, it is important that we identify and invest in specialist areas so that the local teams have access to specialist staff to call upon when clients require more complex services and advice. This enables us to deliver a seamless, cross-discipline approach which our clients value and which enables our staff to continue to develop their skills.

We have always prioritised investment in IT across all aspects of the business, and our successful management of our staff and their working environment throughout COVID with minimal disruption or cost has been testament to this strategy. We recognise that IT will continue to play an ever increasing and evolving role in our sector for both our staff and our clients, and so this investment focus will continue into 2023 and beyond.

We continue to offer flexible working to our staff wherever possible, and this has enabled us to attract and recruit new staff in what is an increasingly challenging UK recruitment market.

Principal risks and uncertainties

The principal risk facing the Group relates to any potential downturn in the UK's economic conditions which would impact our clients' profitability and existence, and their need for our services. However we consider that this is mitigated to some extent by the recurring nature of our compliance services, the wide variety of sectors in which our clients operate, and the breadth of our service offering.

Other risks and uncertainties include the following:

- Credit and liquidity risk – this primarily relates to the recoverability of our trade debtors balances. Within the group there is a strong focus on regular invoicing and collection through direct debit to mitigate the risk of significant exposure.
- Regulatory risk – the regulatory environment in the UK continues to evolve and this impacts many aspects of the Group's business. We continually monitor the regulatory developments to ensure that we fully understand the requirements of any changes, and can ensure and monitor compliance.
- Liquidity and cash flow risk – the Group is financed through investor funding which carries variable rates of interest and therefore our financing costs fluctuate as interest rates change. These facilities are secured via a fixed and floating charge over the shares in TC Group Holdings Limited, and are key to enable the Group to achieve its growth strategy. Financial covenants are attached to this funding and the Board produces comprehensive, monthly management information which it shares with the funders to review performance and covenant compliance. There were no covenant breaches during 2022.
- Cyber security – the Board is extremely aware of the risk of a potential cyber-attack and the need to establish strong cyber security measures as the Group relies heavily on data in all aspects of client services, as well as in respect of our growing workforce. We work with our IT partners to ensure that our IT environment.

Future developments

The Group intends to continue with its business strategy as detailed above focusing on growth and expansion of additional services lines.

TC TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Section 172 (1) Statement

Section 172(1) (a) to (f) of the Companies Act 2006 requires each director to act in a way he or she considers, in good faith, would be most likely to promote the success of the company and the group for the benefit of its members as a whole. In doing this, the directors are required to have regard to the interests of employees and other stakeholders, and the impact of their decisions on those parties.

This statement sets out how the directors have acted in a way that promotes the success of the company and the group for the benefit of all our stakeholders. In doing so, we have taken into account:

- The interests or concerns of, and impact on, our key stakeholders;
- The impact of these decisions on the communities and environment in which we operate; and
- The need to maintain a reputation for high standards of business conduct.

Engaging with key stakeholders

We consider our clients, employees, suppliers, investors and regulators to be our key stakeholders. We engage fully with all stakeholders to better understand their interests and concerns and how the directors' decisions and the group's activities impact them. Examples of how the group has engaged with stakeholders through the year are outlined below:

Clients

We are committed to providing an accomplished, tailored, cross-discipline service to all our clients, regardless of size or structure. We engage with them through a variety of channels; in person meetings, digital portals, webinars, and industry events. We are committed to investing in our own technology as well as being quick to identify and understand the impact of new technology in the accountancy sector so that we can best advise our clients, and ensure that we are agile in our response to changes in market trends.

Our continued expansion has meant we are able to offer our clients a suite of professional services, including financial planning, legal, HR and insolvency services which complement our accounts and tax compliance services so that we can work with our clients throughout their entire business journey.

People

Our team are the cornerstone of our business, managing the financial affairs of our clients to enable them to achieve their objectives and deliver optimum results. We make it a priority to support our people both professionally and personally. Our approach to staff engagement is led locally, with support from the group's central management and HR team. We provide flexible working arrangements, healthy working environments and invest in apprentice opportunities, training and professional development.

Investors

Whilst we are a privately controlled business our funders are also shareholders within the company, and as part of that relationship they are kept up to date with the performance of the group through the provision of monthly Board financial and KPI reporting. We would seek their approval and feedback in respect of any new initiatives as it is an important factor in the continuing growth and strategy of the group.

TC TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Suppliers

Our suppliers play a crucial role in delivering an exceptional service to our clients and we work in close partnership with them in particular our IT partners which is critical to maintain our existing IT environment, but also to execute a smooth transition process before and after the completion of our acquisitions. We engage with them regularly to build strong relationships, bring new innovations to our clients and mitigate risks.

We undertake robust due diligence on all suppliers, ensuring we maintain a supply chain that is akin to our own standards of responsible business conduct.

The group's policy concerning the payment of trade creditors is to:

- ensure that suppliers are made aware of the terms of payment by the inclusion of the relevant terms in contracts; and
- settle the amounts owed in accordance with the company's contractual and legal obligations, raising any concerns or queries in respect of amounts due on a timely basis.

Regulators

We are firmly committed to achieving high standard of compliance with our regulatory obligations and we take a proactive approach to working with our regulators so that we are aware of any new requirements at any early stage, and are able consider their impact on the group. We actively cultivate an open and cooperative relationship with our regulators and ensure that they have a good understanding of our internal structure, ethos and objectives.

We have active Audit and Tax committees and centralised Compliance oversight which monitor our engagement with regulators, adherence to regulatory requirements and the impact of future regulatory developments, as well as providing guidance and support to the partners and staff within the group. We have a co-ordinated system of internal quality review and engage external quality reviewers to ensure best practice and compliance.

Communities and environment

We recognise that our decisions can have a wider impact on the communities we operate in, both locally and nationally. Our working practices and policies consider environmental, social, and economic factors in order to make a positive contribution to these communities.

The partners within our local businesses are involved with their local communities whether that be through sponsorship, fundraising events, or supporting local initiatives.

We are committed to reducing our carbon footprint and adopting a more proactive environmental stance. In line with the Streamlined Energy and Carbon Reporting (SECR) requirements, we have included our results within this directors report.

On behalf of the board



G Bartholomew
Director

Date: 16/06/2023

TC TOPCO LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the period ended 31 December 2022.

Principal activities

The Company was incorporated on the 8th December 2021, and acquired control of the TC Group of accountancy and professional services firms on 8th December 2021. These consolidated financial statements show the activities of the TC Group for the period since acquisition, to 31st December 2022.

The principal activity of the Company is that of a group holding entity, which controls the interest in the TC Group of entities. The principal activity of the TC Group of entities is that of the provision of accountancy and professional services to clients.

Results and dividends

The results for the period are set out on page 15.

Ordinary dividends were paid amounting to £106,751. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

R Keyes	(Appointed 9 December 2021)
G Bartholomew	(Appointed 9 December 2021)
C Roper	(Appointed 8 December 2021 and resigned 9 December 2021)

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.

TC TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

ENERGY AND CARBON REPORT

This report was undertaken in accordance with the Streamlined Energy and Carbon ("SECR") Reporting requirements outlined in the Companies Act (2006) for large quoted and unlisted companies which requires TC Group to report on its Greenhouse Gas (GHG) emissions.

This report contains details on annual GHG emissions, total energy consumption for the TC Group of entities and covers our offices, transport assets, and energy efficiency and environmental management actions implemented during the financial year. This report contains our SECR disclosure for the 2022 financial year.

Energy Consumption

The table below displays our annual energy consumption for electricity, natural gas, and fuel consumption from our fleet and employee vehicles. As per SECR reporting requirements this information is presented in kilowatt hours (kWh).

<i>Emissions source</i>	<i>GHG Scope</i>	2022
Aggregate of energy consumption in the year	(GHG Protocol)	kWh
- Natural Gas	Scope 1	530,487
- Electricity	Scope 2 & 3	518,198
- Company Car / Grey Fleet	Scope 1 & 3	172,837
		<u>1,221,522</u>

GHG Emissions Reporting

In accordance with the SECR Emissions Reporting requirements our GHG Emissions disclosure is outlined below. Results have been split by GHG Emissions Scope as outlined by the GHG Protocol calculation methodology.

<i>Emissions of CO2 equivalent</i>	<i>GHG Emissions Scope</i>	2022	2022
		tonnes	%
		CO2e	
- Natural Gas	Scope 1	97.78	38.57%
- Electricity	Scope 2 & 3	113.41	44.74%
- Company Car / Grey Fleet	Scope 1 & 3	42.32	16.69%
Total GHG Emissions		<u>253.51</u>	
<i>Intensity ratio</i>			
Tonnes CO2e per £m turnover		<u>0.00007</u>	

Total GHG Emissions for Scope 1, Scope 2, and Scope 3 for the twelve-month period to 31st December 2022 are 253.50 tonnes CO2e. Of our total GHG emissions Scope 1 accounts for 38.6%, Scopes 2 and 3 account for 44.7%, and Scope 1 and 3 accounts for 16.7%. Our GHG Emissions CO2e Intensity per £M turnover is 0.000007 tonnes CO2e, and per employee is 0.46 tonnes CO2e. These results will act as our baseline GHG emissions which will be used as a benchmark for future performance to be compared against for SECR.

TC TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

ENERGY AND CARBON REPORT (continued)

Quantification and reporting methodology

Scope of analysis and data collection

Over the 2022 financial year we have collected primary data for our offices and business travel activities including: electricity consumption (kWh), electricity transmission and distribution (kWh losses), gas consumption (kWh), company car mileage, and employee mileage claims (Grey Fleet). For the purposes of reporting, the employee mileage and company car use have a combined figure so has been noted as Scope 1 & 3.

Calculation Methodology

We have used the BEIS and Greenhouse Gas Protocol Corporate Reporting Standard (GHG Protocol) methodology for compiling this GHG data and have calculated our GHG emissions in accordance with the UK Government's reporting guidelines for Company Reporting. To ensure consistency in our reporting we are reporting all GHG emissions in units of CO₂e (carbon dioxide equivalent), and have used 2022 GHG Conversion Factors for Company Reporting, published annually by Defra and BEIS.

Where incomplete electricity consumption, gas consumption or transport mileage datasets have had to be used, we have estimated consumption based on the pro-rated average of previous months energy consumption or utilised an equivalent 12-month data set. For the datasets where the invoice provided only the £ spent we have used the *Indirect Emissions from the Supply Chain (Table_13) 2019 Update* provided by DEFRA.

GHG Emissions Scopes

The following reporting scopes (as outlined by the Greenhouse Gas Protocol) are included within this disclosure:

- Scope 1 Emissions: direct emissions from sources which TC Group owns or controls. This includes natural gas consumption in our offices.
- Scope 2 Emissions: indirect emissions relating solely to the generation of purchased electricity that is consumed by TC Group.
- Scope 3 Emissions: indirect emissions relating to the transmission and distribution of purchased electricity and business travel by employee-owned vehicles (Grey Fleet).

Energy Efficiency & Environmental Management

During the reporting period we made the following building improvements to the Portsmouth Office, where the Central team are based:

- Replaced the downstairs AC unit with a much newer and therefore energy efficient model,
- Installed a thermometer system so that the heating would turn on and off at specific points in the day, and can be manually toggled if needed, which couldn't be done previously.

Additionally, the following environmental improvements were made:

- Continued reduction in paper consumption/waste, and for offices to operate on a paperless basis as much as possible (especially when 'older style' firms join the group). Generally, the offices will all seek to recycle and minimise utility usage but there is not a list of all of the initiatives currently available.
- TC Group operate and encourage working from home / hybrid working at all offices which reduces the onsite use of utilities.

TC TOPCO LIMITED

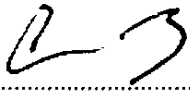
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

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.

On behalf of the board



G Bartholomew
Director

Date: 16/06/2023

TC TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

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.

TC TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TC TOPCO LIMITED

Opinion

We have audited the financial statements of TC Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2022 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 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 2022 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

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

TC TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TC TOPCO LIMITED

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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.

Champion Accountants LLP

Susan Harris MA ACA (Senior Statutory Auditor)

For and on behalf of Champion Accountants LLP, Statutory Auditor

2nd Floor, Refuge House, 33-37 Watergate Row South, Chester, CH1 2LE

Date: **16 June 2023**

Office: **Chester**

TC TOPCO LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2022

		12 months ended 31 December 2022 £
	Notes	
Turnover	3	36,403,385
Cost of sales		(16,715,656)
Gross profit		<u>19,687,729</u>
Administrative expenses		(9,600,449)
Other operating income		<u>80,961</u>
EBITDA (Earnings before tax, interest, depreciation and amortisation)	4	10,168,241
Interest receivable and similar income		601
Interest payable and similar expenses	8	(4,912,856)
Depreciation and amortisation		<u>(6,576,918)</u>
Loss before taxation		(1,320,932)
Tax on loss	9	<u>(1,059,647)</u>
Loss for the financial period		<u><u>(2,380,579)</u></u>
(Loss)/profit for the financial period is attributable to:		
- Owners of the parent company		(5,837,082)
- Non-controlling interests		3,456,503
		<u><u>(2,380,579)</u></u>
Total comprehensive income for the period is attributable to:		
- Owners of the parent company		(5,837,082)
- Non-controlling interests		3,456,503
		<u><u>(2,380,579)</u></u>

The notes on pages 22 to 45 form part of these financial statements

TC TOPCO LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

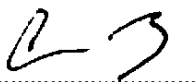
		2022	
	Notes	£	£
Fixed assets			
Goodwill	11		64,621,463
Tangible assets	15		328,550
			<u>64,950,013</u>
Current assets			
Debtors	16	13,989,782	
Cash at bank and in hand		5,088,116	
		<u>19,077,898</u>	
Creditors: amounts falling due within one year	17	(13,779,613)	
		<u></u>	
Net current assets			5,298,285
			<u></u>
Total assets less current liabilities			70,248,298
			<u></u>
Creditors: amounts falling due after more than one year	18		(50,477,015)
			<u></u>
Provisions for liabilities			
Deferred tax liability	20	46,208	
		<u></u>	(46,208)
			<u></u>
Net assets			19,725,075
			<u></u>
Capital and reserves			
Called up share capital	22		1,000
Share premium account			24,499,175
Profit and loss reserves			(5,943,833)
			<u></u>
Equity attributable to owners of the parent company			18,556,342
Non-controlling interests			1,168,733
			<u></u>
			<u>19,725,075</u>

TC TOPCO LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on16/06/2023..... and are signed on its behalf by:



.....
G Bartholomew
Director

The notes on pages 22 to 45 form part of these financial statements

TC TOPCO LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£
Fixed assets			
Investments	13		2
Current assets			
Debtors	16	24,500,000	
Cash at bank and in hand		175	
		<u>24,500,175</u>	
Creditors: amounts falling due within one year	17	(2)	
Net current assets			<u>24,500,173</u>
Total assets less current liabilities			<u>24,500,175</u>
Capital and reserves			
Called up share capital	22		1,000
Share premium account			<u>24,499,175</u>
Total equity			<u>24,500,175</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £106,751.

The financial statements were approved by the board of directors and authorised for issue on 16/06/2023 and are signed on its behalf by:



G Bartholomew
Director

Company Registration No. 13789841

The notes on pages 22 to 45 form part of these financial statements

TC TOPCO LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Period ended 31 December 2022:							
Loss and total comprehensive income for the period		-	-	(5,837,082)	(5,837,082)	3,456,503	(2,380,579)
Issue of share capital	22	1,000	24,499,175	-	24,500,175	-	24,500,175
Dividends	10	-	-	(106,751)	(106,751)	(3,014,675)	(3,121,426)
Acquisition of subsidiary		-	-	-	-	726,905	726,905
Balance at 31 December 2022		1,000	24,499,175	(5,943,833)	18,556,342	1,168,733	19,725,075

The notes on pages 22 to 45 form part of these financial statements

TC TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2022

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Period ended 31 December 2022:					
Profit and total comprehensive income for the period		-	-	106,751	106,751
Issue of share capital	22	1,000	24,499,175	-	24,500,175
Dividends	10	-	-	(106,751)	(106,751)
Balance at 31 December 2022		<u>1,000</u>	<u>24,499,175</u>	<u>-</u>	<u>24,500,175</u>

The notes on pages 22 to 45 form part of these financial statements

TC TOPCO LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	2022 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	27	8,185,930	
Interest paid		(2,875,727)	
Income taxes paid		(1,552,920)	
Net cash inflow/(outflow) from operating activities			3,757,283
Investing activities			
Purchase of subsidiaries		(3,433,730)	
Purchase of tangible fixed assets		(115,872)	
Proceeds on disposal of tangible fixed assets		6,688	
Interest received		601	
Net cash used in investing activities			(3,542,313)
Financing activities			
Proceeds from issue of shares		1,000	
Proceeds from borrowings		8,000,000	
Payment of finance leases obligations		(6,428)	
Dividends paid to equity shareholders		(106,751)	
Dividends paid to non-controlling interests		(3,014,675)	
Net cash generated from/(used in) financing activities			4,873,146
Net increase in cash and cash equivalents			5,088,116
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			<u>5,088,116</u>

The notes on pages 22 to 45 form part of these financial statements

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

TC Topco Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Courtyard, Shoreham Road, Upper Beeding, Steyning, West Sussex, BN44 3TN.

The Company was incorporated on the 8th December 2021, and acquired control of the TC Group of accountancy and professional services firms on 8th December 2021. The group consists of TC Topco Limited and all of its subsidiaries, which comprise TC Group. These consolidated financial statements show the activities of TC Group for the period since acquisition, to 31st December 2022.

The principal activity of the Company is that of a group holding entity, which controls the interest in the TC Group of entities. The principal activity of the TC Group of entities is that of the provision of accountancy and professional services to clients.

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.

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

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

The company 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 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': 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 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.2 Business combinations

In the consolidated 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, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company TC Topco Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. 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.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

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

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.5 Turnover

Revenue represents amounts recoverable from clients for professional services provided during the year. It is measured at the fair value of consideration received or receivable on each client assignment, including expenses and disbursements but excluding Value Added Tax. Revenue is recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the entity.

Revenue recognition occurs in the period in which services are rendered by reference to the stage of completion, which is assessed on actual services provided as a proportion of total services to be provided. Revenue in respect of contingent fee assignments, over and above any agreed minimum fee, is recognised when the contingent event occurs.

Unbilled revenue on individual client assignments is included as accrued income within trade and other receivables. Where individual on-account billings exceed revenue on client assignments, the excess is classified as deferred income within trade and other payables.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.7 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:

Leasehold improvements	straight line over the lease term
Furniture and equipment	4-5 years straight line
Computers and IT infrastructure	3 years 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.

1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries 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.

1 Accounting policies

(Continued)

1.9 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.

1.10 Cash and cash equivalents

Cash and cash equivalents 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.

1.11 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.

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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.

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

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

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

1.12 Equity instruments

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

1.13 Taxation

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

1 Accounting policies

(Continued)

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.

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.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. 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.

1.15 Retirement benefits

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

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

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 principal estimates and judgements that could have significant effect upon the Group's financial results relate to assessing the fair value of unbilled revenue on client assignments and on assessment of whether the goodwill is impaired.

Valuation of unbilled revenue

In accordance with the Group's revenue recognition policy, the Group estimates the billable recoverable value of work performed on client engagements which has not yet been invoiced to the client at the balance sheet date. At the balance sheet date the Group had estimated and included within Accrued income, £4.1 million of unbilled revenue.

Assessment of goodwill for impairment

The Group has tested whether the goodwill has suffered any impairment by comparing the carrying value of the goodwill allocated to cash generating units (CGUs) with its recoverable amount. The recoverable amount of the CGU has been determined based on value in use (VIU) calculations. The future cash flows used in the VIU calculation are based on financial budgets approved by management, based on prior year profit experience extrapolated forward.

The key assumptions used by management in these forecasts were the discount rates used in the VIU calculation based on a pre-tax estimated weighted average cost of capital of 18%. A reasonable change in the key assumptions does not have a significant impact on the difference between value in use and the carrying value.

The directors are satisfied that no further impairment provision was required against the carrying value of the Group's goodwill at the current or previous financial year end.

3 Turnover and other revenue

	2022
	£
Turnover analysed by geographical market	
United Kingdom	36,403,385

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

4 Loss before taxation

2022

£

Loss before taxation for the period is stated after charging:

Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	1,868
Depreciation of owned tangible fixed assets	139,846
Loss on disposal of tangible fixed assets	14,846
Amortisation of intangible assets	6,437,072
Operating lease charges	1,242,761
	<u><u> </u></u>

5 Auditor's remuneration

2022

£

Fees payable to the company's auditor and associates:

For audit services

Audit of the financial statements of the group and company	29,000
	<u><u> </u></u>

6 Employees

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

Group 2022 Number	Company 2022 Number
538	2
<u><u> </u></u>	<u><u> </u></u>

Their aggregate remuneration comprised:

	Group 2022 £	Company 2022 £
Wages and salaries	15,518,779	-
Social security costs	1,441,732	-
Pension costs	977,309	-
	<u><u>17,937,820</u></u>	<u><u>-</u></u>

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

7 Directors' remuneration

	2022
	£
Remuneration for qualifying services	75,361
Company pension contributions to defined contribution schemes	40,420
Sums paid to third parties for directors' services	79,422
	<u>195,203</u>

8 Interest payable and similar expenses

	2022
	£
Interest on borrowings	4,607,714
Other interest on financial liabilities	302,840
Interest on finance leases and hire purchase contracts	938
Other interest payable	1,364
	<u>4,912,856</u>
Total finance costs	<u>4,912,856</u>

9 Taxation

	2022
	£
Current tax	
UK corporation tax on profits for the current period	1,053,324
Adjustments in respect of prior periods	826
	<u>1,054,150</u>
Total UK current tax	<u>1,054,150</u>
Foreign current tax on profits for the current period	7,583
	<u>1,061,733</u>
Deferred tax	
Origination and reversal of timing differences	(2,086)
	<u>1,059,647</u>
Total tax charge	<u>1,059,647</u>

TC TOPCO LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****9 Taxation****(Continued)**

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

	2022
	£
Loss before taxation	(1,320,932)
	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(250,977)
Tax effect of expenses that are not deductible in determining taxable profit	25,071
Depreciation on assets not qualifying for tax allowances	6,754
Amortisation on assets not qualifying for tax allowances	1,217,447
Effect of overseas tax rates	(1,191)
Under/(over) provided in prior years	826
Enhanced capital allowances	(5,215)
Finance costs not deductible in determining taxable profit	66,932
	<u> </u>
Taxation charge	1,059,647
	<u> </u>

10 Dividends

	2022
	£
Recognised as distributions to equity holders:	
Final paid	106,751
	<u> </u>

TC TOPCO LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****11 Intangible fixed assets**

Group	Goodwill
	£
Cost	
At 8 December 2021	-
Additions	71,058,535
At 31 December 2022	71,058,535
Amortisation and impairment	
At 8 December 2021	-
Amortisation charged for the period	6,437,072
At 31 December 2022	6,437,072
Carrying amount	
At 31 December 2022	64,621,463

The company had no intangible fixed assets at 31 December 2022.

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

12 Acquisitions

Acquisition of TC Group

TC Topco Limited was incorporated on the 8th December 2021, for the purpose of acquiring the controlling interest in BOKS Holdings Limited, the controlling parent company of the TC Group of accountancy firms, which it completed the acquisition of on 8th December 2021.

The business combination has been accounted for using the acquisition method of accounting.

	Book Value	Adjustments	Fair Value
	£	£	£
Net assets acquired			
Pre-acquisition goodwill eliminated on business combination	25,129,954	(25,129,954)	-
Property, plant and equipment	232,983	-	232,983
Trade and other receivables	10,974,015	-	10,974,015
Cash and cash equivalents	2,690,611	-	2,690,611
Borrowings	(19,751,076)	-	(19,751,076)
Trade and other payables (including deferred consideration)	(18,598,835)	-	(18,598,835)
Tax liabilities	(606,800)	-	(606,800)
Deferred tax	(20,030)	-	(20,030)
	<u>50,822</u>	<u>(25,129,954)</u>	<u>(25,079,132)</u>
Non-controlling interests			(1,564,890)
Goodwill			61,382,537
			<u>34,738,515</u>
Total consideration			<u>34,738,515</u>
The consideration was satisfied by:			£
Issue of shares			24,500,000
Issue of loan notes			10,000,000
Acquisition costs			238,515
			<u>34,738,515</u>

Contribution by the acquired businesses for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Turnover	33,972,812
Loss after tax	<u>(2,083,618)</u>

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

12 Acquisitions

(Continued)

Acquisition of accountancy practices

During the year ended 31st December 2022, TC Group Holdings Limited completed the acquisition of the controlling interests in incorporated entities, or purchased the trade and assets of the following accountancy practices (amounts disclosed as consideration include associated acquisition costs):

- Murray Harcourt Partners LLP - control acquired 24th June 2022 for total consideration amounting to £4,502,707;
- Trevor Goodship & Associates Ltd - control acquired 30th September 2022 for total consideration amounting to £316,165;
- Harpers & Co Accountants Ltd - control acquired 31st October 2022 for total consideration amounting to £415,242;
- Murray and Lamb Accountants Ltd - control acquired 11th November 2022 for total consideration amounting to £4,292,022.
- Miscellaneous client portfolios acquired during the period on a trade and assets basis, for total consideration amounting to £149,863;

These transactions have been accounted for using the acquisition method of accounting, the information on which is disclosed in aggregate below:

	Book Value	Adjustments	Fair Value
	£	£	£
Net assets acquired			
Pre-acquisition goodwill eliminated on business combination	1,530,508	(1,530,508)	-
Property, plant and equipment	141,075	-	141,075
Trade and other receivables	820,574	-	820,574
Cash and cash equivalents	48,823	-	48,823
Obligations under finance leases	(52,078)	-	(52,078)
Trade and other payables (including deferred consideration)	(1,707,148)	-	(1,707,148)
Tax liabilities	(60,968)	-	(60,968)
Deferred tax	(28,263)	-	(28,263)
Total identifiable net assets	692,523	(1,530,508)	(837,985)
Non-controlling interests			837,985
Goodwill			9,675,999
Total consideration			9,675,999

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

12 Acquisitions (Continued)

The consideration was satisfied by: £

Cash	5,360,150
Deferred consideration	3,741,350
Acquisition costs	574,499
	<u>9,675,999</u>

Contribution by the acquired businesses for the reporting period included in the group statement of comprehensive income since acquisition:

£

Turnover	2,430,573
Loss after tax	<u>(296,961)</u>

Acquisitions of accountancy practices are typically structures so that the pre-existing assets and liabilities of the accountancy practice are retained by the vendor and not the Group. The acquisition provides the Group with control over the ongoing client relationships of the former accountancy practice and the associated future fees, whilst also retaining the staff of the former accountancy practice.

13 Fixed asset investments

	Notes	Group 2022 £	Company 2022 £
Investments in subsidiaries	14	-	2

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 8 December 2021	-
Additions	2
At 31 December 2022	<u>2</u>
Carrying amount	
At 31 December 2022	<u>2</u>

TC TOPCO LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****14 Subsidiaries**

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	% Held
TC Bidco Limited	The Courtyard, Shoreham Road, Upper Beeding, Steyning, BN44 3TN	100.00
BOKS Holdings Limited	The Courtyard, Shoreham Road, Upper Beeding, Steyning, BN44 3TN	100.00
TC Group Holdings Limited	The Courtyard, Shoreham Road, Upper Beeding, Steyning, BN44 3TN	100.00
TC Central Limited	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	100.00
TC Tax and Legal Limited (*)	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	100.00
TC Audit Limited (*)	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	100.00
TC Accountants 001 Limited (*)	10 Bridge Street, 26 - 32 Oxford Road, Bournemouth, BH23 1EF	51.00
TC Accountants 002 Limited (*)	The Granary, Hones Yard, 1 Waverley Lane, Farnham, GU9 8BB	51.00
TC Accountants 003 Limited (*)	The Granary, Hones Yard, 1 Waverley Lane, Farnham, GU9 8BB	51.00
TC Accountants 005 Limited (*)	Ground Floor Wessex House, Pixash Lane, Keynsham, BS31 1TP	76.00
TC Accountants 006 Limited (*)	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	51.00
TC Accountants 008 Limited (*)	The Courtyard, Shoreham Road, Upper Beeding, Steyning, BN44 3TN	100.00
TC Accountants 009 Limited (*)	30-31 St James Place, Mangotsfield, Bristol, BS16 9JB	51.00
TC Accountants 018 Limited (*)	Ground Floor Wessex House, Pixash Lane, Keynsham, BS31 1TP	100.00
TC Accountants 023 Limited (*)	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	51.00
TC Croydon Limited (*)	Airport House, Purley Way, Croydon, London, CR0 0XZ	76.00
TC East Midlands Limited (*)	99 Chapel Street, Ilstock, LE67 6HF	51.00
TC Sussex Limited (*)	The Courtyard, Shoreham Road, Upper Beeding, Steyning, BN44 3TN	50.89
TC East Yorkshire Limited (*)	74 Lairgate, Beverley, HU17 8EU	51.00
TC Group London Limited (*)	King's House, 9-10 Haymarket, London, SW1Y 4BP	51.00
TC North Essex Limited (*)	92 Station Road, Clacton On Sea, CO15 1SG	52.00
TC West Bristol Limited (*)	St Matthews House Quays Office Park, Conference Avenue, Portishead, Bristol, BS20 7LZ	51.00
TC Bulley Davey Limited (*)	6 North Street, Oundle, Peterborough, PE8 4AL	51.00
TC Outsourcing Limited (*)	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	51.00
TC Financial Planning Limited (*)	The Courtyard, Shoreham Road, Upper Beeding, Steyning, BN44 3TN	75.00
TC Group Financial Planning LLP (*)	The Courtyard, Shoreham Road, Upper Beeding, Steyning, BN44 3TN	75.00
TC Technical Tax & Legal Limited (*)	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	51.00
TC HR Limited (*)	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	76.00
TC West End Limited (*)	King's House, 9-10 Haymarket, One Mayfair Place, London, SW1Y 4BP	51.00
Tax Warrior Limited (*)	1-4 London Road, Spalding, PE11 2TA	51.00
TC Murray and Lamb Limited (*)	12 Bessemer Court Hownsgill Industrial Park Knitsley Lane, Consett, Co. Durham, DH8 7BL	51.00
TC Mortgages Limited (*)	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	75.00
TC Murray Harcourt Limited (*)	6 Queen Street, Leeds, LS1 2TW	51.00
Bartholomew & Grace Limited (*)	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	100.00
TDAH Limited (*)	3 Acorn Business Centre, Northarbour Road, Cosham, PO6 3TH	100.00
BOKS Accountants LLP (*)	The Courtyard, Shoreham Road, Upper Beeding, Steyning, BN44 3TN	100.00

Those subsidiaries indicated in the table above with '(*)' are exempt from the requirements of an audit in accordance with Section 479A of the Companies Act 2006.

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

14 Subsidiaries

(Continued)

The disclosure of the '% held' above shows the percentage of voting rights held by the group in the relevant subsidiary undertakings. Only the shares in TC Bidco Limited are held directly by TC Topco Limited.

In addition TC Outsourcing Limited holds a controlling interest in BOKS Business Services Private Limited, a company registered in India.

TC Group Holdings Limited holds 100% of the economic rights in TC Audit Limited, but only 49% of the voting rights, as 51% of the voting rights in TC Audit Limited are held by audit qualified individuals as required for regulatory purposes.

In addition to the subsidiaries listed above, the Group has a controlling interest in the following dormant subsidiaries, all of which are incorporated within the United Kingdom: TC Legal Limited; TC Accountants 012 Limited; TC St Albans Limited; Russell New Limited; TC Accountants 016 Limited; TC Accountants 017 Limited; TC Professional Trustees & Executors Limited; and TC Accountants 011 Limited.

15 Tangible fixed assets

Group	Leasehold improvements £	Furniture and equipment £	Computers and IT infrastructure £	Total £
Cost				
At 8 December 2021	-	-	-	-
Business combinations	22,049	314,024	37,987	374,060
Additions	-	62,624	53,247	115,871
Disposals	-	(26,656)	-	(26,656)
At 31 December 2022	22,049	349,992	91,234	463,275
Depreciation and impairment				
At 8 December 2021	-	-	-	-
Depreciation charged in the period	10,781	98,018	31,047	139,846
Eliminated in respect of disposals	-	(5,121)	-	(5,121)
At 31 December 2022	10,781	92,897	31,047	134,725
Carrying amount				
At 31 December 2022	11,268	257,095	60,187	328,550

The company had no tangible fixed assets at 31 December 2022.

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

16 Debtors

	Group 2022	Company 2022
	£	£
Amounts falling due within one year:		
Trade debtors	7,240,868	-
Amounts owed by group undertakings	-	24,500,000
Other debtors	622,135	-
Prepayments and accrued income	6,126,779	-
	<u>13,989,782</u>	<u>24,500,000</u>

17 Creditors: amounts falling due within one year

	Group 2022	Company 2022
	£	£
	Notes	
Obligations under finance leases	30,492	-
Trade creditors	1,642,351	-
Corporation tax payable	176,580	-
Other taxation and social security	2,056,833	-
Deferred consideration payable and other creditors	7,903,047	2
Accruals and deferred income	1,970,310	-
	<u>13,779,613</u>	<u>2</u>

Obligations under finance leases are secured upon the related fixed assets.

Deferred consideration payable and other creditors, primarily relate to future amounts payable in respect of acquisitions of accountancy businesses. Deferred consideration at the period end is assessed by management as the total amount which is expected to be paid under the acquisition agreements, which includes an assessment of the likely contingent consideration payable. Deferred consideration is unsecured. The value of contingent consideration is typically linked to the performance of the underlying business acquired and is paid over a period of up to 3 years. Subsequent revisions to managements estimates of the contingent consideration payable are recognised in the income statement.

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	Company 2022 £
Bank loans and overdrafts	19	40,162,070	-
Obligations under finance leases		15,158	-
Deferred consideration payable and other creditors		10,299,787	-
		<u>50,477,015</u>	<u>-</u>

19 Loans and overdrafts

	Group 2022 £	Company 2022 £
Institutional funded acquisition loans	40,162,070	-
	<u>40,162,070</u>	<u>-</u>
Payable within one year	-	-
Payable after one year	40,162,070	-
	<u>40,162,070</u>	<u>-</u>

The amounts disclosed as Institutional funded acquisition loans comprise £37,750,000 of loans and £2,412,070 of rolled up loan interest.

The Institutional funded acquisition loans are secured upon the shares of TC Group Holdings Limited and other assets of the group. The Institutional funded acquisition loans are repayable in full on 17 December 2025, together with the rolled up loan interest. £27,750,000 of the Institutional funded acquisition loans incur interest at a rate of 10% over SONIA, of which 80% of the interest is payable in quarterly instalments, with the remaining 20% rolled up on the loan and payable on term. £10,000,000 of the Institutional funded acquisition loans incur interest at 12.5% over SONIA, all of which is rolled up on the loan and payable on term.

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

20 Deferred taxation

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

	Liabilities
	2022
Group	£
Fixed asset timing differences	62,007
Retirement benefit obligations	(15,799)
	<u>46,208</u>

The company has no deferred tax assets or liabilities.

	Group	Company
	2022	2022
	£	£
Movements in the period:		
Asset at 8 December 2021	-	-
Credit to profit or loss	(2,068)	-
Arising on acquisition	48,276	-
	<u>46,208</u>	<u>-</u>

Deferred tax is measured at the tax rates that are substantively enacted at the reporting date and expected to apply in the periods in which the temporary differences reverse. Deferred tax is measured using a rate of 25% at 31st December 2022.

21 Retirement benefit schemes

	2022
	£
Defined contribution schemes	
Charge to profit or loss in respect of defined contribution schemes	977,309

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.

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

22 Share capital

	2022 Number	2022 £
Ordinary share capital		
Issued and fully paid		
Ordinary A1 of 1p each	41,250	413
Ordinary A2 of 1p each	41,250	412
Ordinary B of 1p each	17,500	175
	<u>100,000</u>	<u>1,000</u>

During the period 41,250 Ordinary A1, 41,250 Ordinary A2 & 17,500 Ordinary B shares were issued at a value of £24,500,000.

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

23 Financial instruments risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk;
- Interest rate risk;
- Liquidity risk

The Board of the Company has overall responsibility for the determination of the Group's financial risk management objectives and policies. The Board of the Company receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding the financial risk policies are described below.

Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is mainly exposed to credit risk through credit sales. Credit risk is determined by ongoing monitoring of the creditworthiness of existing clients and through ongoing review of the trade receivables ageing analysis.

Interest rate risk

All of the Group's borrowings are on fixed interest rates and hence the Group has limited exposure to interest rate risks.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its borrowings. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's objectives when maintaining working capital are to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for all of its stakeholders and optimise its debt and equity balance.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim it seeks to maintain cash balances and borrowing facilities to meet its expected requirements. The Board of the Company receives cash flow projections on a regular basis as well as information regarding cash balances and borrowing facilities.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

24 Financial commitments, guarantees and contingent liabilities

Provision is made on a case-by-case basis in respect of the cost of defending claims and, where appropriate, the estimated cost of settling claims where such costs are not covered by insurance. Outstanding claims are reviewed each year and provisions are made as appropriate in the current year.

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements, but are disclosed unless they are considered remote.

In common with comparable professional businesses, the Group is involved in a number of disputes in the ordinary course of business, which may give rise to claims by clients against the Group. Where costs are likely to be incurred in defending and concluding such matters and can be measured reliably, they are provided for in the financial statements. The Group carries professional indemnity insurance and no separate disclosure is made of the cost of claims covered by insurance.

At 31st December 2022 the Group has made no provision for the cost of outstanding claims against it and considers there to be no contingent liabilities requiring disclosure either.

25 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 2022 £	Company 2022 £
Within one year	708,778	-
Between two and five years	1,339,984	-
In over five years	983,167	-
	<u>3,031,929</u>	<u>-</u>

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

26 Related party transactions

The subsidiary undertakings listed in note 14 are related parties of the Company. The transactions entered into with and between subsidiaries during the period are eliminated on consolidation. These transactions include management charges and inter-group profit distributions.

The Company has applied the exemption in FRS 102 Section 33.1A not to disclose transactions or balances with wholly owned group undertakings.

The non-controlling interest holders in the Group are all directors of subsidiaries within the Group. Many of the non-controlling interest holders maintain loans with their respective trading subsidiary to retain working capital within the business. These loans, are disclosed within creditors falling due within less than one year as they have no formal repayment terms, are unsecured and incur no interest.

The Directors of the Company are also the ultimate controlling parties of the Group. During the year dividends were paid to the Directors of £106,751.

The Directors of the Company also have an economic interest in BOKS International Limited. During the year the group purchased services from BOKS International Limited amounting to £102,323 and sold services to BOKS International Limited amounting to £20,750.

27 Cash generated from/(absorbed by) group operations

	2022
	£
Loss for the period after tax	(2,380,579)
Adjustments for:	
Taxation charged	1,059,647
Finance costs	4,912,856
Investment income	(601)
Loss on disposal of tangible fixed assets	14,846
Amortisation and impairment of intangible assets	6,437,072
Depreciation and impairment of tangible fixed assets	139,846
Movements in working capital:	
Increase in debtors	(2,195,194)
Increase in creditors	198,037
Cash generated from/(absorbed by) operations	8,185,930

TC TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

28 Analysis of changes in net debt - group

	8 December 2021	Cash flows	Acquisitions and disposals	31 December 2022
	£	£	£	£
Cash at bank and in hand	-	8,521,846	(3,433,730)	5,088,116
Borrowings excluding overdrafts	-	(10,786,403)	(29,375,667)	(40,162,070)
Obligations under finance leases	-	6,428	(52,078)	(45,650)
	-	(2,258,129)	(32,861,475)	(35,119,604)