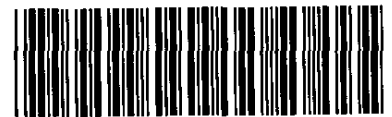


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**Annual Report and
Consolidated Financial Statements
for the Period 3 April 2019 to 31 December 2019
for
Phenna Group Topco Limited (Registered Number 11924512)**

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Phenna Group Topco Limited

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for the Period 3 April 2019 to 31 December 2019**

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Phenna Group Topco Limited
Company Information
for the Period 3 April 2019 to 31 December 2019

DIRECTORS:	P Barry D G Harrison E D'Orio C D'Orio B D'Orio H Hansen
REGISTERED OFFICE:	14 Clarendon Street Nottingham Nottinghamshire NG1 5HQ
REGISTERED NUMBER:	11924512 (England and Wales)
AUDITORS:	Mazars 45 Church Street Birmingham B3 2RT
BANKERS:	CVC Credit Partners 111 Strand London WC2R 0AG

Phenna Group Topco Limited
Group Strategic Report
for the Period 3 April 2019 to 31 December 2019

The directors present their strategic report for the period 3 April 2019 to 31 December 2019.

REVIEW OF BUSINESS

This is the first period of trading for the group.

The results of the group for the period, as set out on pages 9-15 of these financial statements, shows a profit on ordinary activities before taxation of £1.46m. The group turnover for the period is £24.23m.

The principal activity of the business is to partner with selected niche, independent TICC companies that serve a variety of sectors. As part of these partnerships, Phenna will provide investment, strategic leadership, support people and business development and has the goal that each portfolio company will deliver its full potential.

The directors are confident that the group will continue to perform strongly for the foreseeable future.

There is uncertainty surrounding Brexit and COVID-19 which has caused concerns over the economy. Given the lack of clarity over the terms of the withdrawal from the European Union, it is not possible to evaluate all possible implications. Steps have been taken to cover some of the potential risks and limit the adverse effects on the financial performance of the group. Given the emergence and spread of the COVID-19 virus took place in January/February 2020, it is not considered to provide more information about conditions that existed at the balance sheet date, and the measurement of assets and liabilities in the accounts should not be adjusted for its potential impact.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the group are:

Market performance – the group is dependent on the continued strength of a number of underlying sectors within the regions in which it operates. These underlying sectors include property, aerospace, construction, infrastructure, consumer goods and industrial. The group monitors trends in these sectors closely and places resources to meet anticipated changes in the markets that we serve.

Competitive risk – The group operates in competitive markets with several businesses often competing for market share. The group plans to maintain good working relationship with quality customers and new clients to ensure continued growth.

Major disruption/ disaster – the group regularly reviews its business continuity plans to minimise the impact of major disruption or disasters.

Financial risk – the group maintains a mixture of development and working capital finance facilities which ensures it has sufficient funds for its operations. The group has outstanding bank loans, there is an excellent relationship with the bank and the group provides quarterly and annual financial and operating information to them. There are currently no issues in this area.

Phenna Group Topco Limited

**Group Strategic Report – continued
for the Period 3 April 2019 to 31 December 2019**

KEY PERFORMANCE INDICATORS

The directors monitor the progress of the company by reference to key performance indicators. The financial key performance indicators of the group are those that communicate the financial performance and strength of the company. These being turnover and operating profit.

As this is the first period of trading for the group, there is no comparative data. Turnover for the period is £24.23m and operating profit is £5.35m.

ON BEHALF OF THE BOARD:


.....
D G Harrison, Director

Date:18 September 2020.....

Phenna Group Topco Limited
Report of the Directors
for the Period 3 April 2019 to 31 December 2019

The directors present their report with the financial statements of the company and the group for the period 3 April 2019 to 31 December 2019.

INCORPORATION

The group was incorporated on 3 April 2019.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a holding company. Details of the principal activity of the group is set out in the Strategic Report. The subsidiaries of the group are based in the United Kingdom, Republic of Ireland and United States of America.

FUTURE DEVELOPMENTS

The business will continue to trade profitably and to grow, it will look at opportunities to expand as they become available. There are acquisitions which have taken place post year end which are detailed in note 23.

DIVIDENDS

The directors do not recommend payment of a dividend.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the note 23 to the financial statements

DIRECTORS

The directors who have held office during the period from 3 April 2019 to the date of this report are as follows:

P Barry - appointed 3 April 2019
D G Harrison - appointed 3 April 2019
E D'Orio - appointed 18 April 2019
C D'Orio - appointed 18 April 2019
B D'Orio - appointed 18 April 2019
H Hansen - appointed 18 April 2019

EMPLOYMENT OF DISABLED PERSONS

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

During the period, there has been a policy of providing employees with information about the company through internal methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. The company promotes a healthy and safe working environment, and is committed to the continuous development of its people. Employees are kept informed on matters of concern and the effect on employees is considered in all decision making.

Phenna Group Topco Limited
Report of the Directors - continued
for the Period 3 April 2019 to 31 December 2019

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The directors have had regard for the need to foster the company's relationships with supplier, customers and others. These relationships are taken into account during decision making to ensure the continuity and growth of the business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors Mazars, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
D G Harrison / Director

Date:18.September.2020.....

Report of the Independent Auditors to the Members of Phenna Group Topco Limited

Opinion

We have audited the financial statements of Phenna Group Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2019 which comprise Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's profit 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.

Emphasis of matter - Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Group financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 16 and non- adjusting post balance sheet events on page 29.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Group's trade, customers, suppliers and the wider economy.

Conclusions relating to going concern

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

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

Report of the Independent Auditors to the Members of Phenna Group Topco Limited – continued

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial 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 light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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

**Report of the Independent Auditors to the Members of
Phenna Group Topco Limited – continued**

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/auditors-responsibilities. This description forms part of our auditor's report.

Use of the audit 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.



Ian Holder (Senior Statutory Auditor)
for and on behalf of Mazars
45 Church Street
Birmingham
B3 2RT

Date: 16 November 2020

Phenna Group Topco Limited
Consolidated Income Statement
for the Period 3 April 2019 to 31 December 2019

	Notes	£'000
TURNOVER	3	24,230
Cost of sales		<u>3,634</u>
GROSS PROFIT		20,596
Administrative expenses		<u>16,392</u>
		4,204
Other operating income	5	<u>1,144</u>
OPERATING PROFIT	5	5,348
Interest receivable and similar income	7	<u>1</u>
		5,349
Interest payable and similar expenses	8	<u>3,888</u>
PROFIT BEFORE TAXATION		1,461
Tax on profit	9	<u>1,041</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>420</u>
Profit attributable to:		
Owners of the parent		393
Non-controlling interests		<u>27</u>
		<u>420</u>

The notes form part of these financial statements

Phenna Group Topco Limited
Consolidated Other Comprehensive Income
for the Period 3 April 2019 to 31 December 2019

Notes	£'000
PROFIT FOR THE PERIOD	420
OTHER COMPREHENSIVE INCOME	
Foreign exchange	(690)
Income tax relating to other comprehensive income	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	<u>(690)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>(270)</u></u>
Total comprehensive income attributable to:	
Owners of the parent	(297)
Non-controlling interests	<u>27</u>
	<u><u>(270)</u></u>

The notes form part of these financial statements

Phenna Group Topco Limited (Registered number: 11924512)

**Consolidated Balance Sheet
31 December 2019**

	Notes	£'000	£'000
FIXED ASSETS			
Intangible assets	11		60,656
Tangible assets	12		<u>6,568</u>
			67,224
CURRENT ASSETS			
Stocks	13	214	
Debtors	14	9,381	
Cash at bank and in hand		<u>4,592</u>	
		14,187	
CREDITORS			
Amounts falling due within one year	15	<u>8,892</u>	
NET CURRENT ASSETS			<u>5,295</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			72,519
CREDITORS			
Amounts falling due after more than one year	16		(72,081)
PROVISIONS FOR LIABILITIES	20		<u>(578)</u>
NET LIABILITIES			<u>(140)</u>
CAPITAL AND RESERVES			
Called up share capital	21		1
Retained earnings			<u>(297)</u>
SHAREHOLDERS' FUNDS			(296)
NON-CONTROLLING INTERESTS			<u>156</u>
TOTAL EQUITY			<u>(140)</u>

The financial statements were approved by the Board of Directors and authorised for issue on18.September.2020..... and were signed on its behalf by:


.....
D G Harrison/- Director

The notes form part of these financial statements

Phenna Group Topco Limited (Registered number: 11924512)

Company Balance Sheet
31 December 2019

	Notes	£'000
FIXED ASSETS		
Investments	10	<u>-</u>
		67,224
CURRENT ASSETS		
Debtors	14	9,802
Cash in hand		<u>1</u>
		9,803
CREDITORS		
Amounts falling due within one year	15	<u>10,130</u>
NET CURRENT LIABILITIES		<u>(327)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(327)</u>
CAPITAL AND RESERVES		
Called up share capital	21	1
Retained earnings		<u>(328)</u>
SHAREHOLDERS' FUNDS		<u>(327)</u>
Company's loss for the financial year		<u>(328)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 September 2020 and were signed on its behalf by:


D G Harrison / Director

The notes form part of these financial statements

Phenna Group Topco Limited

**Consolidated Statement of Changes in Equity
for the Period 3 April 2019 to 31 December 2019**

	Called up share capital £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
Changes in equity					
Increase in share capital	1	-	1	-	1
Assumed through business combinations	-	-	-	129	129
Total comprehensive income	-	(297)	(297)	27	(270)
Balance at 31 December 2019	<u>1</u>	<u>(297)</u>	<u>(296)</u>	<u>156</u>	<u>(140)</u>

The notes form part of these financial statements

Phenna Group Topco Limited
Company Statement of Changes in Equity
for the Period 3 April 2019 to 31 December 2019

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Changes in equity			
Increase in share capital	1	-	1
Total comprehensive income	<u>-</u>	<u>(328)</u>	<u>(328)</u>
Balance at 31 December 2019	<u><u>1</u></u>	<u><u>(328)</u></u>	<u><u>(327)</u></u>

The notes form part of these financial statements

Phenna Group Topco Limited

**Consolidated Cash Flow Statement
for the Period 3 April 2019 to 31 December 2019**

	Notes	£'000
Cash flows from operating activities		
Cash generated from operations	25	12,770
Interest paid		(2,980)
Interest element of hire purchase payments paid		(3)
Tax paid		<u>(518)</u>
Net cash from operating activities		<u>9,269</u>
 Cash flows from investing activities		
Purchase of subsidiary (net of cash acq)		(70,299)
Purchase of tangible fixed assets		(383)
Sale of tangible fixed assets		14
Interest received		<u>1</u>
Net cash from investing activities		<u>(70,667)</u>
 Cash flows from financing activities		
New loans in the period		55,730
Capital repayments in the period		(29)
Amount introduced by related parties		10,288
Share issue		<u>1</u>
Net cash from financing activities		<u>65,990</u>
 Increase in cash and cash equivalents		<u>4,592</u>
Cash and cash equivalents at beginning of period	26	-
 Cash and cash equivalents at end of period	26	<u><u>4,592</u></u>

The notes form part of these financial statements

Phenna Group Topco Limited

Notes to the Consolidated Financial Statements for the Period 3 April 2019 to 31 December 2019

1. STATUTORY INFORMATION

Phenna Group Topco Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The group was created on 3 April 2019 and the first period end is 31 December 2019. Therefore, these are the first period of financial statements and there are no comparatives.

Disclosure exemptions

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

(a) No cash flow statement has been presented for the company.

Basis of consolidation

The consolidated financial statements consolidate the financial statements for the company and its subsidiary undertakings drawn up to 31 December 2019.

The results of subsidiaries acquired or disposed of during the period are included in the profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the group.

The acquisition method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Going Concern

The outbreak of the Coronavirus since the period end date has impacted the economy in the UK and worldwide. The Directors have carefully considered the likely effect of Covid-19 on the group's future financial performance and have prepared detailed financial projections thereon. The directors have concluded that despite the ongoing difficulties affecting the UK economy and other countries in which the group operates, the group will have sufficient working capital to settle its liabilities as they fall due for a period of twelve months from the date of approval of these financial statements and on this basis it is therefore appropriate that they are prepared on a going concern basis.

Principal activity

The principal activity of the group is shown in the strategic report.

Phenna Group Topco Limited

Notes to the Consolidated Financial Statements - continued for the Period 3 April 2019 to 31 December 2019

2. ACCOUNTING POLICIES - continued

Judgements and key sources of estimation uncertainty

In the process of applying the group's accounting policies, the directors are required to make certain estimates, judgements and assumptions that they believe are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods presented.

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.

Actual results may differ from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The estimate and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are as follows:

Intangible assets - useful life and residual values

The charge in respect of amortisation is derived after determining an estimate of the useful life of goodwill arising on business combinations. This estimate is based on a variety of factors such as expected use of the acquired business, the expected useful life of the cash generating unit to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit the useful life and assumptions that market participants would consider in respect of similar businesses.

Tangible assets - useful life and residual values

The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the group's assets may vary depending on several factors such as technological innovation, maintenance programmes and future market conditions. They are determined by management at the time the asset is acquired and reviewed annually for appropriateness.

Leases

Determining whether leases entered into by the group as a lessee are operating or finance leases requires judgement. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee based on the evaluation of the terms and conditions of the arrangements on a lease by lease basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

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

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

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Depreciation

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

Improvements to property	- Over the term of the lease
Plant and machinery	- 5% - 20% straight line
Fixtures and fittings	- 15% - 25% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment	- 25% - 50% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Phenna Group Topco Limited

Notes to the Consolidated Financial Statements - continued for the Period 3 April 2019 to 31 December 2019

2. ACCOUNTING POLICIES - continued

Foreign currencies

Functional and presentation currency

The group's functional and presentation currency is pounds sterling.

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 costs 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 the profit and loss account.

Translation

The trading results of group undertakings are translated into sterling at the average exchange rates for the period. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the period-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Impairment of fixed assets

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

Provisions

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

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

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Business Combinations

Business combinations are accounted for using the purchase method.

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

Phenna Group Topco Limited

Notes to the Consolidated Financial Statements - continued for the Period 3 April 2019 to 31 December 2019

2. ACCOUNTING POLICIES - continued

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

Where the business combination requires an adjustment to the cost contingent on future events, the estimated amount of that adjustment is included in the cost of the combination at the acquisition date providing it is probable and can be measured reliably. Where it is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration is treated as an adjustment to the cost of the combination.

Individual Income Statement

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	£'000
United Kingdom	12,056
Europe	1,854
United States of America	<u>10,320</u>
	<u>24,230</u>

4. EMPLOYEES AND DIRECTORS

	£'000
Wages and salaries	8,166
Social security costs	709
Other pension costs	<u>520</u>
	<u>9,395</u>

The average number of employees during the period was as follows:

Directors	6
Administration	<u>267</u>
	<u>273</u>

The average number of employees by undertakings that were proportionately consolidated during the period was 354.

	£'000
Directors' remuneration	795
Directors' pension contributions to money purchase schemes	<u>46</u>

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	£'000
Emoluments	<u>331</u>

5. OPERATING PROFIT

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

	£'000
Hire of plant and machinery	98
Other operating leases	563
Depreciation - owned assets	756
Profit on disposal of fixed assets	(8)
Goodwill amortisation	4,180
Foreign exchange differences	<u>(1,144)</u>

6. AUDITORS' REMUNERATION

	£'000
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	<u>44</u>

Fees payable to the auditors for other services:

	£'000
Tax advisory	28
Tax consolidation	10
Other services	7
	<u>45</u>

Total

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	£'000
Deposit account interest	<u>1</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	£'000
Interest on bank loans and overdrafts	3,885
Hire purchase	<u>3</u>
	<u>3,888</u>

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	£'000
Current tax:	
UK corporation tax	1,059
Deferred tax	<u>(18)</u>
Tax on profit	<u><u>1,041</u></u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	£'000
Profit before tax	<u>1,461</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19%	278
Effects of:	
Expenses not deductible for tax purposes	731
Income not taxable for tax purposes	(275)
Difference in overseas tax rates	292
Fixed asset differences	<u>15</u>
Total tax charge	<u><u>1,041</u></u>

Tax effects relating to effects of other comprehensive income

	Gross £'000	Tax £'000	Net £'000
Foreign exchange	<u>(690)</u>	<u>-</u>	<u><u>(690)</u></u>

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

10. INVESTMENTS

Company

£'000

Cost at 31 December 2019

-

Subsidiaries

Phenna Group Management Limited

Registered office: 14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

Phenna Group Midco 1 Limited

Registered office: 14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

11. INTANGIBLE FIXED ASSETS

Group

Goodwill
£'000

COST

Additions

65,259

At 31 December 2019

65,259

AMORTISATION

Amortisation for period

4,180

Exchange differences

423

At 31 December 2019

4,603

NET BOOK VALUE

At 31 December 2019

60,656

Phenna Group Topco Limited

Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019

12. TANGIBLE FIXED ASSETS

Group

	Leasehold improvements £'000	Plant and machinery £'000	Fixtures and fittings £'000
COST			
Additions	-	186	56
Disposals	-	-	-
Acquisitions through business combinations	<u>578</u>	<u>7,192</u>	<u>627</u>
At 31 December 2019	<u>578</u>	<u>7,378</u>	<u>683</u>
DEPRECIATION			
Charge for period	18	615	43
Eliminated on disposal	-	-	-
Assumed through business combinations	403	1,236	267
Exchange differences	<u>-</u>	<u>(15)</u>	<u>8</u>
At 31 December 2019	<u>421</u>	<u>1,836</u>	<u>318</u>
NET BOOK VALUE			
At 31 December 2019	<u>157</u>	<u>5,542</u>	<u>365</u>

	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST			
Additions	33	140	415
Disposals	(49)	(338)	(387)
Acquisitions through business combinations	<u>726</u>	<u>538</u>	<u>9,661</u>
At 31 December 2019	<u>710</u>	<u>340</u>	<u>9,689</u>
DEPRECIATION			
Charge for period	40	40	756
Eliminated on disposal	(44)	(337)	(381)
Assumed through business combinations	413	429	2,748
Exchange differences	<u>5</u>	<u>-</u>	<u>(2)</u>
At 31 December 2019	<u>414</u>	<u>132</u>	<u>3,121</u>
NET BOOK VALUE			
At 31 December 2019	<u>296</u>	<u>208</u>	<u>6,568</u>

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

12. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets are included at full historical cost to the company.

Motor vehicles, included in the above, which are held under hire purchase contracts had a carrying amount of £183,842 at the period end.

Plant and machinery, included in the above, which are held under hire purchase contracts had a carrying amount of £35,356 at the period end.

13. STOCKS

	Group
	£'000
Stocks	<u>214</u>

There is no significant difference between the replacement cost of stock and their carrying amounts. There is no impairment to stock.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company
	£'000	£'000
Trade debtors	8,608	-
Amounts owed by group undertakings	-	9,802
Other debtors	489	-
Prepayments and accrued income	<u>284</u>	<u>-</u>
	<u>9,381</u>	<u>9,802</u>

There is no impairment to trade debtors. Further details of the amounts owed by group undertakings can be found in notes 19 and 22 to these financial statements.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company
	£'000	£'000
Hire purchase contracts (see note 18)	60	-
Trade creditors	2,959	-
Amounts owed to group undertakings	-	10,085
Tax	1,009	-
Social security and other taxes	271	-
VAT	519	-
Other creditors	1,913	-
Accruals and deferred income	<u>2,161</u>	<u>45</u>
	<u>8,892</u>	<u>10,130</u>

Further details of the amounts owed to group undertakings can be found in notes 19 and 22 to these financial statements.

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group £'000
Bank loans (see note 17)	55,730
Hire purchase contracts (see note 18)	126
Other creditors	<u>16,225</u>
	<u><u>72,081</u></u>

The other creditors balance is made up of a related party loan (see note 22 for further detail) and a liability relating to put and call option agreements (see note 28 for further detail).

17. LOANS

An analysis of the maturity of loans is given below:

	Group £'000
Amounts falling due in more than five years:	
Repayable otherwise than by instalments	
Bank loans	<u>55,730</u>

The bank loans have a repayment profile of 6 years. The interest rates are as follows:

	Interest rate
GBP loan	7.85% above LIBOR
Euro loan	7.60% above LIBOR
US dollar loan	7.60% above LIBOR

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts £'000
Net obligations repayable:	
Within one year	60
Between one and five years	126
In more than 5 years	<u>-</u>
	<u><u>186</u></u>

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

18. LEASING AGREEMENTS - continued

Group

	Non- cancellable operating leases
	£'000
Within one year	408
Between one and five years	1,135
In more than five years	<u>14</u>
	<u>1,557</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group
	£'000
Bank loan	57,745
Hire purchase	<u>81</u>
	<u>57,826</u>

Bank loans are secured by a fixed and floating charge over all of the property or undertaking of the group.

Hire purchase liabilities are secured on the relevant asset.

20. PROVISIONS FOR LIABILITIES

	Group
	£'000
Deferred tax	<u>578</u>
Group	
	Deferred tax
	£'000
Provided during period	(18)
Business combinations	<u>597</u>
Balance at 31 December 2019	<u>579</u>

Deferred tax

Budget 2020 announced that the UK corporation tax rate was to be held at 19% rather than reduced to 17% with effect from 1 April 2020 as previously enacted. This provision was substantially enacted on 17 March 2020, after the end of the accounting period, and so deferred tax closing balances have been calculated at 17%.

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	£'000
Number:	Class:		
1,000,000	Ordinary	0.001	<u>1</u>

1,000,000 Ordinary shares of 0.001 each were allotted and fully paid for cash at par during the period.

On 3 April 2019, 200,000 ordinary B shares were issued at a nominal value of £0.001 each. On 18 April 2019, 800,000 ordinary A shares were issued at a nominal value of £0.001 each.

22. RELATED PARTY DISCLOSURES

Group

During the period the group provided and received loans from related parties. The balance outstanding due to related parties at 31 December 2019 are as follows:

Key management personnel of the entity or its parent (in the aggregate)

	£'000
Amount due from related party	180
Amount due to related party	<u>10,082</u>

Outstanding balances due from related parties are unsecured, interest free and repayable on demand.

Outstanding balances due to related parties are repayable after more than five years and interest is charged at 3%.

All directors and any senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Remuneration paid by the company relating to key management personnel other than individuals during their period in office as directors amounted to £823,976. Director's remuneration is as shown in note 4 to these financial statements.

Other related parties

	£'000
Amount due to related party	<u>1,297</u>

Outstanding balances due to related parties are unsecured, interest free and repayable on demand.

Company

The company had outstanding balances owed to key management personnel at 31 December 2019 of £10,082,364.

Outstanding balances due to related parties are repayable after more than five years and interest is charged at 3%.

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

23. POST BALANCE SHEET EVENTS

After the end of the reporting period, the group acquired 2 additional subsidiaries for total acquisition cost of £8,019,639.

The outbreak of the Coronavirus since the period end date has impacted the economy in the UK and worldwide. Given the uncertainty of the situation it is not possible to evaluate all potential implications. The company is considered to be sufficiently agile to be prepared to respond to any adverse effects to minimise the impact on the financial performance of the group.

Given the emergence and spread of the COVID-19 virus took place in January/February 2020, it is not considered to provide more information about conditions that existed at the balance sheet date, and the measurements of assets and liabilities in the account should not be adjusted for its potential impact.

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an implementation period which is scheduled to end of 31 December 2020. Given the lack of clarity on the terms of withdrawal it is not possible to evaluate all potential implications. Steps have been taken to cover some of the potential risks and limit the adverse effects on the financial performance of the company.

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Hansen Family.

25. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	£'000
Profit before taxation	1,461
Depreciation charges	4,937
Profit on disposal of fixed assets	(8)
F/X Movement of Goodwill	(537)
Finance costs	3,888
Finance income	(1)
	9,740
Increase in stocks	(19)
Decrease in trade and other debtors	3,497
Decrease in trade and other creditors	(448)
Cash generated from operations	<u>12,770</u>

26. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 December 2019

	31.12.19	3.4.19
	£'000	£'000
Cash and cash equivalents	<u>4,592</u>	<u>-</u>

Phenna Group Topco Limited

Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019

27. ANALYSIS OF CHANGES IN NET DEBT

	At 3.4.19 £'000	Cash flow £'000	Acquisition of subsidiary undertaking £'000	Other non-cash changes £'000	At 31.12.19 £'000
Net cash					
Cash at bank and in hand	<u>-</u>	<u>2,272</u>	<u>2,320</u>		<u>4,592</u>
	<u>-</u>	<u>2,272</u>	<u>2,320</u>		<u>4,592</u>
Debt					
Finance leases	-	29	(183)	(32)	(186)
Debts falling due after 1 year	<u>-</u>	<u>(55,730)</u>	<u>-</u>	<u>-</u>	<u>(55,730)</u>
	<u>-</u>	<u>(55,701)</u>	<u>(183)</u>	<u>(32)</u>	<u>(55,916)</u>
Total	<u>-</u>	<u>(53,429)</u>	<u>2,137</u>	<u>(32)</u>	<u>(51,324)</u>

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

28. BUSINESS COMBINATIONS

Acquisition of First Scottish Group

On the 18 April 2019, Phenna Group Topco Limited acquired 92% of First Scottish Group comprising FS Topco Limited, FS Midco Limited, FS Bidco Limited, First Scottish Group Limited, First Scottish Document Management Limited, First Scottish Searching Services Limited, First Scottish Formation Services Limited and First Scottish Property Services Limited.

The fair value of the consideration paid in relation to the acquisition is as follows:

	£'000
Cash paid	25,446
	<u>25,446</u>

The fair value of the amounts recognised at the acquisition date are as follows:

	£'000
Tangible assets acquired	215
Cash and cash equivalents acquired	815
Trade debtors acquired	1,218
Other debtors acquired	4,386
Trade creditors assumed	(534)
Other creditors assumed	(4,484)
Provisions assumed	(12)
	<u>1,604</u>
Goodwill at acquisition	23,970
Non-controlling interest	(128)
	<u>25,446</u>

Since acquisition, the sales generated in the First Scottish Group were £7,745,536 and the profit generated was £1,659,190.

Phenna Group Topco Limited

Notes to the Consolidated Financial Statements - continued for the Period 3 April 2019 to 31 December 2019

Acquisition of the Hansen Aerospace LLC

On 18 April 2019, Phenna Group Topco Limited acquired 100% of the membership interests of Hansen Aerospace, LLC.

The fair value of the consideration paid in relation to the acquisition is as follows:

	£'000
Cash paid	22,132
Deferred consideration	<u>3,056</u>
	<u>25,188</u>

The deferred consideration was paid on 4 October 2019.

The fair value of the amounts recognised at the acquisition date are as follows:

	£'000
Tangible assets acquired	4,843
Cash and cash equivalents acquired	494
Trade debtors acquired	2,720
Other debtors acquired	26
Trade creditors assumed	(17)
Other creditors assumed	(1,629)
Provisions assumed	<u>(335)</u>
	6,102
Goodwill at acquisition	<u>19,086</u>
	<u>25,188</u>

Since acquisition, the sales generated by Hansen Aerospace LLC were £10,320,368 and the profit generated was £1,456,383.

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

Acquisition of Professional Soils Laboratory Limited

On the 2 May 2019, Phenna Group Topco Limited acquired 100% of the share capital of Professional Soils Laboratory Limited.

The fair value of the consideration paid in relation to the acquisition is as follows:

	£'000
Cash paid	10,929
Contingent consideration	<u>1,469</u>
	<u>12,398</u>

Contingent consideration is payable based on the future performance of the business acquired. An earnout payment of £400,000 is due to be made based on the earnings before interest, taxation, depreciation and amortisation for the period ended 31 December 2019. Separately, there is a put and call option agreement to acquire the remaining shares in the group for £1,069,096 based on earnings in future years. The amount recognised in the business combination is based on management's expectation for the performance of the group acquired at the acquisition date.

The fair value of the amounts recognised at the acquisition date are as follows:

	£'000
Tangible assets acquired	679
Cash and cash equivalents acquired	441
Trade debtors acquired	744
Other debtors acquired	2,846
Trade creditors assumed	(70)
Other creditors assumed	(475)
Provisions assumed	<u>(117)</u>
	4,048
Goodwill at acquisition	<u>8,350</u>
	<u>12,398</u>

Since acquisition, the sales generated in Professional Soils Laboratory Limited were £2,524,330 and the profit generated was £818,026.

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

Acquisition of the Building Envelope Technologies Group

On the 15 May 2019, Phenna Group Topco Limited acquired 100% of the Building Envelope Technologies Group comprising Building Envelope Technologies Limited (ROI) and Building Envelope Technologies Limited (NI).

The fair value of the consideration paid in relation to the acquisition is as follows:

	£'000
Cash paid	5,891
Contingent consideration	<u>3,449</u>
	<u>9,340</u>

Contingent consideration is payable based on the future performance of the business acquired. There is a put and call option agreement to acquire the remaining shares in the group for £3,448,783 based on earnings in future years. The amount recognised in the business combination is based on management's expectation for the performance of the group acquired at the acquisition date.

The fair value of the amounts recognised at the acquisition date are as follows:

	£'000
Tangible assets acquired	338
Cash and cash equivalents acquired	160
Trade debtors acquired	503
Other debtors acquired	6
Trade creditors assumed	(36)
Other creditors assumed	<u>(199)</u>
	772
Goodwill at acquisition	<u>8,568</u>
	<u>9,340</u>

Since acquisition, the sales generated in the Building Envelope Technologies group were £1,966,184 and the profit generated was £736,835.

Phenna Group Topco Limited

Notes to the Consolidated Financial Statements - continued for the Period 3 April 2019 to 31 December 2019

Acquisition of the Group Management Electrical Surveys Group

On the 1 October 2019, Phenna Group Topco Limited acquired 100% of the Group Management Electrical Surveys Group comprising Cognizant Management Limited and Group Management Electrical Surveys Limited.

The fair value of the consideration paid in relation to the acquisition is as follows:

	£'000
Cash paid	1,665
Contingent consideration	<u>542</u>
	<u>2,207</u>

Contingent consideration is payable based on the future performance of the business acquired. An earnout payment of £151,875 is due to be made based on the earnings before interest, taxation, depreciation and amortisation for the period ended 31 December 2019. Separately, there is a put and call option agreement to acquire the remaining shares in the group for £389,871 based on earnings in future years. The amount recognised in the business combination is based on management's expectation for the performance of the group acquired at the acquisition date.

The fair value of the amounts recognised at the acquisition date are as follows:

	£'000
Tangible assets acquired	34
Cash and cash equivalents acquired	111
Trade debtors acquired	504
Other debtors acquired	48
Trade creditors assumed	(51)
Other creditors assumed	(210)
Provisions assumed	<u>(5)</u>
	431
Goodwill at acquisition	<u>1,776</u>
	<u>2,207</u>

Since acquisition, the sales generated in the Group Management Electrical Surveys Group were £475,408 and the profit generated was £36,464.

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

Acquisition of the ACS Group

On the 14 October 2019, Phenna Group Topco Limited acquired 100% of the ACS Group comprising of Lab Partnership Limited, ACS Testing Limited, ACS Analysis Limited, ACS Environmental Testing Limited and ACS Group of Companies Limited.

The fair value of the consideration paid in relation to the acquisition is as follows:

	£'000
Cash paid	2,628
Contingent consideration	<u>1,334</u>
	<u>3,962</u>

Contingent consideration is payable based on the future performance of the business acquired. There is a put and call option agreement to acquire the remaining shares in the group for £1,334,342 based on earnings in future years. The amount recognised in the business combination is based on management's expectation for the performance of the group acquired at the acquisition date.

The fair value of the amounts recognised at the acquisition date are as follows:

	£'000
Tangible assets acquired	863
Cash and cash equivalents acquired	87
Trade debtors acquired	2,708
Other debtors acquired	2,978
Trade creditors assumed	(2,184)
Other creditors assumed	(3,848)
Provisions assumed	<u>(134)</u>
	470
Goodwill at acquisition	<u>3,492</u>
	<u>3,962</u>

Since acquisition, the sales generated in the ACS Group were £1,196,458 and the profit generated was £75,677.

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

29. FIXED ASSET INVESTMENTS

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

Subsidiary undertakings	Registered Office	Class of share	Percentage of shares held	Audit exemption claimed under Section 479A
Phenna Group Management Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
Phenna Group Holdings, LLC	2 Industrial Dr, Danvers, United States, MA 01923	Member interest	100	Yes
Hansen Aerospace, LLC	2 Industrial Dr, Danvers, United States, MA 01923	Member interest	100	No
Phenna Group Midco 1 Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
Phenna Group Midco 2 Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
Phenna Group Holdings Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
FS Topco Limited	14 Clarendon Street, Nottingham, United Kingdom NG1 5HQ	Ordinary	100	Yes
		Preference	100	

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
for the Period 3 April 2019 to 31 December 2019**

Subsidiary undertakings	Registered Office	Class of share	Percentage of shares held	Audit exemption claimed under Section 479A
FS Midco Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
FS Bidco Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
First Scottish Group Limited	St Davids House, St Davids Drive, Dalgety Bay, United Kingdom, KY11 9NB	Ordinary	100	No
First Scottish Document Management Limited	St Davids House, St Davids Drive, Dalgety Bay, United Kingdom, KY11 9NB	Ordinary	100	No
First Scottish Searching Services Limited	16 Churchill Way, Cardiff, United Kingdom, CF10 2DX	Ordinary	100	No
First Scottish Formation Services Limited	16 Churchill Way, Cardiff, United Kingdom, CF10 2DX	Ordinary	100	Yes
First Scottish Property Services Limited	St Davids House, St Davids Drive, Dalgety Bay, United Kingdom, KY11 9NB	Ordinary	100	Yes

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
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Subsidiary undertakings	Registered Office	Class of share	Percentage of shares held	Audit exemption claimed under Section 479A
BET Bidco Designated Activity Company	Ballylacey Crossroads, Inch, Gorey, Republic of Ireland, Y25 XW93	Ordinary	100	Yes
Building Envelope Technologies Limited	Ballylacey Crossroads, Inch, Gorey, Republic of Ireland, Y25 XW93	Ordinary	100	No
Building Envelope Technologies Limited (NI)	6 Church Street, Banbridge, United Kingdom, BT3 2 4AA	Ordinary	100	No
BET Bidco Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
PSL Topco Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
PSL Bidco Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Preference Ordinary	100 100	Yes
Professional Soils Laboratory Limited	5-7 Hexthorpe Road, Hexthorpe, Doncaster, United Kingdom, DN4 0AR	Ordinary	100	No

Phenna Group Topco Limited

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Subsidiary undertakings	Registered Office	Class of share	Percentage of shares held	Audit exemption claimed under Section 479A
Man Topco Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
		Preference	100	
Man Bidco Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
Cognizant Management Limited	Unit 20 Ripponden Business Park, Oldham Road, Ripponden, United Kingdom, HX6 4FF	Ordinary	100	Yes
Group Management Electrical Surveys Limited	Unit 20 Ripponden Business Park, Oldham Road, Ripponden, United Kingdom, HX6 4FF	Ordinary	100	No
Jag Topco Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes
		Preference	100	
Jag Bidco Limited	14 Clarendon Street, Nottingham, United Kingdom, NG1 5HQ	Ordinary	100	Yes

Phenna Group Topco Limited

**Notes to the Consolidated Financial Statements - continued
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Subsidiary undertakings	Registered Office	Class of share	Percentage of shares held	Audit exemption claimed under Section 479A
Lab Partnership Limited	39-43 Monument Hill, Weybridge, United Kingdom, KT13 8RN	Ordinary	100	Yes
ACS Testing Limited	Unit 14 Blackhill Road, Holton Heath Trading Park, Poole, United Kingdom, BH16 6LE	Ordinary	100	Yes
ACS Analysis Limited	Unit 14 Blackhill Road, Holton Heath Trading Park, Poole, United Kingdom, BH16 6LE	Ordinary	100	Yes
ACS Environmental Testing Limited	Unit 14 Blackhill Road, Holton Heath Trading Park, Poole, United Kingdom, BH16 6LE	Ordinary	100	Yes
ACS Group of Companies Limited	Unit 14 Blackhill Road, Holton Heath Trading Park, Poole, United Kingdom, BH16 6LE	Ordinary	100	Yes