

Company Registration No. 12075381 (England and Wales)

AMENDED

SOLO TOPCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2019



SOLO TOPCO LIMITED

COMPANY INFORMATION

Directors	A Fowler C Hurley D M Ridge Y Souillard M Thompson
Company number	12075381
Registered office	Onecom House 4400 Parkway Whiteley Fareham Hampshire England PO15 7FJ
Auditor	RSM UK Audit LLP Chartered Accountants Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY

SOLO TOPCO LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

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

Review of the business

In July 2019, Onecom secured a significant funding package from mid-market private equity firm Lloyds Development Capital (LDC) to support further organic and acquisitive growth. This resulted in a change in ownership structure, with LDC taking a significant minority shareholding and the existing shareholders retaining a minority shareholding also.

This has therefore resulted in a change of ownership structure within Onecom Group. From July 2019, consolidation of Onecom Limited and Onecom Southampton Limited is through a new entity, namely Solo Topco Limited. For the period under review, this entity therefore only shows a part year consolidation; the figures presented below in the strategic report are to allow normalised, full year comparisons.

Onecom Limited is one of the UK's largest independent business telecommunications providers, delivering fixed line, mobile, unified communications and connectivity solutions to a diverse base of customers.

The second half of 2019 saw the formation of a new Board of Directors, plus a strategic review in order to deliver the next chapter of Onecom's growth story.

During the period under review the Company achieved a turnover of £89.9m compared to £87.2m in the previous year. The increase was predominantly driven by the continued growth in the non mobile ("solutions") part of the business, where further uptake of Onecom's product portfolio saw double digit growth versus 2018.

Mobile revenues were broadly stable in comparison to the prior year, with anticipated market wide downward pressure in average revenue per user ("ARPU") largely offset by growth in the customer base, demonstrating Onecom's strength in winning new and retaining existing customers.

ARPU trends have continued to show signs of stabilisation in 2019, with the rate of decline at approximately (1.5%) - roughly half the level seen in 2018. Whilst out of bundle chargeable usage continues to decline, this has been partially offset by annual RPI linked increases in the monthly access fee, coupled with strong trading to promote upsell.

Greater investment has also been made in order to drive further "cross sell" within the base. Approximately 3% of the existing base take both mobile and solutions products from Onecom, so this represents a major opportunity to drive future value which the company is well positioned to deliver.

Onecom have continued to invest in people and processes throughout 2019. This has seen further investment in core reporting and CRM systems, plus developments in digital marketing as an enabler for further future growth. Strong trading performance has been supported by ongoing operational efficiencies across the organisation, resulting in a growth in normalised EBITDA of +15.3% compared to 2018.

Management considers the key financial metrics (excluding the impact of deal related and other one off costs) of Onecom to be those set out in the table below which show strong growth in revenue, gross profit and normalised EBITDA, being the performance for the whole year and not just the short period of the Group accounts.

	£k	£k	%
	2019	2018	Growth vs 2018
Revenue	£89,869	£87,146	3.1%
Gross profit	£23,114	£21,811	6.0%
EBITDA	£14,770	£12,517	15.3%

Notable movements in the balance sheet shows the continued growth of the Onecom customer base, with customer incentives at £36.7m (2018: £28.4m) which is presented within other debtors. Similarly, as the customer base grows, then the equivalent liability for "techfund" has increased, presented in trade creditors, which has increased to £33.1m (2018: £26.5m). Onecom have continued to see strong cash conversion in 2019, resulting in growth in cash balances to £8.3m (2018: £5.0m).

SOLO TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

Review of the business (continued)

Onecom received a number of industry awards in 2019. These included being awarded the "Best Customer Service Award" (Mobile News Awards), the "Best Unified Comms Dealer" (Mobile Industry Awards), the "Communication Company of the Year" (Thames Valley Tech Awards) and "Tech Leadership Team of the Year" (South Coast Tech Awards). Finally, Onecom were again recognised as Vodafone's Total Communications Partner of the year, underlining the strength of Onecom's largest commercial partnership.

Future developments and post balance sheet events

Towards the end of 2019, Onecom embarked on an organic growth plan, with the aim of extending the size of the existing sales teams in order to drive further customer growth. This represents a significant long term investment strategy for the Company, with planned upfront investment in headcount delivering returns in future years.

Furthermore, in 2020, Onecom has executed the first stages in an inorganic growth plan. This resulted in the acquisition of GT Group Services Ltd on 12th August 2020 and Nice Network on 4th November 2020.

B Dowd resigned as a director on 6th October 2020

D Ridge was appointed as a director on 19th October 2020

Impact of COVID-19

The company quickly and successfully transitioned to remote working for all staff in March, ensuring our people were working in safe environments, whilst ensuring no interruption to our market leading levels of customer service and support.

As a telecommunications provider, Onecom has continued to see strong demand for our products and services during the COVID-19 pandemic. However, the Company has, as expected, seen some adverse financial impacts, predominantly related to chargeable mobile roaming revenues which have decreased significantly as a result of global travel restrictions. Furthermore, the Company has seen delays in the deployment and completion of larger scale projects, especially those requiring engineer attendance on site.

The directors have acted quickly to put in place any required corrective measures in order to protect profitability and cash generation and whilst the above impacts will be reflected in 2020 trading profits, the Company still expect to deliver a robust set of results.

Impact of Brexit

The directors do not expect that the Company performance and results will be directly impacted by Brexit. We ensure any developments are kept under review and have ensured plans are in place to minimise any possible impact from supply chain interruption.

SOLO TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

Principal risks and uncertainties

The principal risks for the Company going forward are perceived to be:-

- 1) General economic activity - The Company operates in the business to business sector and where economic activity shows a downward trend, this might be perceived as a potential risk to the operations of the Company. However, experience has shown that revenues tend to be robust, irrespective of activity as telecoms are an essential part of business both in good times and in bad. Given the Covid-19 pandemic, the directors continue to closely monitor any adverse impacts on our customers.
- 2) Lack of diversification - The Company is continuing to invest in its non-mobile wholesale business which is showing very strong growth and this is forecast to continue accelerating. This is further addressed through the inorganic strategy
- 3) Regulatory changes and price risk - In the past, regulatory changes have affected gross telephony revenues and prices and the Company monitors the effects of this on a regular basis and where applicable will devise and implement strategies and policies to address and minimise the impact of any commercial pressures or compliance requirements.
- 4) Changes in technology - The speed of technological advancement and customer expectations in telecommunications is regularly monitored by the Company. One of Onecom's strengths, through its independence, is its ability to adapt to change and willingness to offer a variety of products to the UK total communications market.
- 5) Liquidity and cashflow risk - The Company has an obligation to recognise incentives when a contract is signed, but receives the associated revenue on a spread basis over the life of the contract. The Company mitigates this risk by profit retention and a strong cash balance, alongside policies with customers where incentives are paid on a spread basis. The Company regularly reviews cash flow projections and has invested in platforms to improve cash flow management.
- 6) Credit risk - Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. A large proportion of the customer credit risk is borne by Vodafone rather than the company as they receive their revenue share from Vodafone rather than collecting cash from customers.

SOLO TOPCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

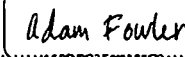
Section 172 (1) statement

The Board of Directors of Onecom Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, in the decisions it has taken during the year ended 31st December 2019.

Specifically in relation to those matters set out in s172(1)(a-f) of the Act:

- a. Our plan has been designed to ensure a long term commercial beneficial impact on the company, contributing towards supporting our customers with high quality products, services and support. We have regularly discussed and reviewed the plan at Board level, ensuring objectives are aligned and that we continue to execute the plan as agreed, setting out a clear vision to 2024 and beyond. Furthermore, we have continued to operate with strong budgetary control across all areas of the business, ensuring we maximise long term returns from the assets of the Company.
- b. Our employees are crucial to the delivery of our plan. We aim to be a responsible employer in our approach to all employee matters, including the pay and benefits we offer. We engage in regular dialogue with our employees through a wide variety of communication methods. Furthermore, we ensure employees have a voice in the company, allowing the Company to receive employee feedback and engagement. This has resulted in the Company being awarded "Gold" status through the Investors in People accreditation.
- c. A key element of our strategy is delivering organic growth. The main enabler to this is fostering strong relationships with customers. We heavily invest in delivering class leading customer service, as reflected in our ratings through recognised platforms such as Trustpilot. Furthermore, we have continued to develop our CRM systems to ensure we have the right information immediately available to support customer questions and needs. Equally, we maintain strong relationships with a number of leading suppliers, with regular engagement at all levels throughout the organisation. This again is reflected in the recognition we received from suppliers and partners such as Vodafone, Samsung, Mitel and Apple. Finally, we ensure the investors in the company, specifically LDC and Ares have high levels of engagement and visibility through regular monthly reviews, in addition to provision of high quality management information.
- d. Our plan considers the impact of the Company's operation on the community and environment through a number of initiatives. We have in the last year initiated a "Green Team" to focus on reducing energy consumption and waste across the organisation. This has delivered tangible changes and equally has driven employee engagement as they see the impact of their initiatives. We are also now entering our third year in our partnership with "Young Minds", a mental health charity for children and young people who has involved the Company supporting a number of community projects.
- e. The company places strong emphasis on maintaining a reputation for high standards of business conduct by ensuring we have adequate policies and controls in place across the Company. Our success is based on long term customer and supplier relationships which are underpinned by our reputation for maintaining these high standards of conduct
- f. As a Board of Directors, our intention is to behave responsibly and fairly toward our shareholders, treating them equally and ensuring everyone is able to benefit from executing the agreed plan.

On behalf of the board

DocuSigned by:

.....A69DD93FRT384PB.....
A Fowler
Director

23/12/2020 | 13:05:38 GMT
Date:

SOLO TOPCO LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

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

Principal activities

The company was incorporated on 28 June 2019 and on that date the company commenced its principal activity being that of a holding company.

Directors

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

B P Dowd	(Appointed 28 June 2019 and resigned 6 October 2020)
A Fowler	(Appointed 19 July 2019)
C Hurley	(Appointed 19 July 2019)
D M Ridge	(Appointed 19 July 2019)
Y Souillard	(Appointed 19 July 2019)
M Thompson	(Appointed 19 July 2019)

Results and dividends

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

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

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 unions, staff councils and at meetings, matters likely to affect employees' interests.

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

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

Auditor

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

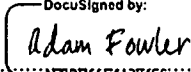
Statement of disclosure to auditor

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 company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

SOLO TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

On behalf of the board

DocuSigned by:

A59DD55FA1384F6...
A Fowler
Director

Date: 23/12/2020 | 13:05:38 GMT
Date:

SOLO TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and 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.

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

Opinion

We have audited the financial statements of Solo Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

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

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 their 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 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 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Paul Anthony Audit CoA

Paul Anthony (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Highfield Court

Tollgate

Chandlers Ford

Eastleigh

Hampshire, SO53 3TY

23 December 2020

SOLO TOPCO LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2019**

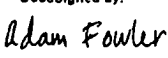
	Notes	Period ended 31 December 2019 £
Turnover	3	38,431,096
Cost of sales		(25,652,215)
Gross profit		12,778,881
Administrative expenses		(6,928,172)
Other operating income		7,047
Exceptional item	4	(4,005,760)
Operating profit	6	1,851,996
Interest receivable and similar income	8	7,036
Interest payable and similar expenses	9	(5,078,468)
Loss before taxation		(3,219,436)
Tax on loss	10	244,818
Loss for the financial period		(2,974,618)
(Loss)/profit for the financial period is attributable to:		
- Owners of the parent company		(2,970,229)
- Non-controlling interests		(4,389)
		(2,974,618)
Total comprehensive income for the period is attributable to:		
- Owners of the parent company		(2,970,229)
- Non-controlling interests		(4,389)
		(2,974,618)

Company Registration No. 12075381

SOLO TOPCO LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	2019 £	£
Fixed assets			
Goodwill	11	57,249,437	
Other intangible assets	11	51,066,858	
Total intangible assets		108,316,295	
Tangible assets	12	2,615,604	
Investments	13	8	
			110,931,907
Current assets			
Stocks	16	600,509	
Debtors	17	54,789,446	
Cash at bank and in hand		10,037,629	
		65,427,584	
Creditors: amounts falling due within one year	18	(42,392,103)	
Net current assets			23,035,481
Total assets less current liabilities			133,967,388
Creditors: amounts falling due after more than one year	19	(127,346,673)	
Provisions for liabilities	21	(9,101,643)	
Net liabilities			(2,480,928)
Capital and reserves			
Called up share capital	24	9,284	
Share premium account	25	406,891	
Profit and loss reserves	25	(2,970,229)	
Equity attributable to owners of the parent company			(2,554,054)
Non-controlling interests			73,126
			(2,480,928)

The financial statements were approved by the board of directors and authorised for issue on 23/12/2020 | 13:05:38
and are signed on its behalf by:

DocuSigned by:

 A69DD35FA1384F6...
 A Fowler
 Director

Company Registration No. 12075381

SOLO TOPCO LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	2019 £	£
Fixed assets			
Investments	13		1
Current assets			
Debtors	17	53,327,340	
Creditors: amounts falling due within one year	18	(3,206,575)	
Net current assets			50,120,765
Total assets less current liabilities			50,120,766
Creditors: amounts falling due after more than one year	19	(52,663,824)	
Net liabilities			(2,543,058)
Capital and reserves			
Called up share capital	24		9,284
Share premium account	25		406,891
Profit and loss reserves	25		(2,959,233)
Total equity			(2,543,058)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £2,959,233.

The financial statements were approved by the board of directors and authorised for issue on 23/12/2020 | 13:05:38 c and are signed on its behalf by:

DocuSigned by:

 A Fowler
 Director

SOLO TOPCO LIMITED

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

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Period ended 31 December 2019:							
Loss and total comprehensive income for the period		-	-	(2,970,229)	(2,970,229)	(4,389)	(2,974,618)
Issue of share capital	24	9,284	406,891	-	416,175	-	416,175
Acquisition of subsidiary		-	-	-	-	77,515	77,515
Balance at 31 December 2019		<u>9,284</u>	<u>406,891</u>	<u>(2,970,229)</u>	<u>(2,554,054)</u>	<u>73,126</u>	<u>(2,480,928)</u>

SOLO TOPCO LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Period ended 31 December 2019:					
Loss and total comprehensive income for the period		-	-	(2,959,233)	(2,959,233)
Issue of share capital	24	9,284	406,891	-	416,175
Balance at 31 December 2019		<u>9,284</u>	<u>406,891</u>	<u>(2,959,233)</u>	<u>(2,543,058)</u>

SOLO TOPCO LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Notes	2019 £	£
Cash flows from operating activities			
Cash absorbed by operations	26	(22,614,029)	
Interest paid		(5,078,468)	
Income taxes paid		(709,229)	
Net cash outflow from operating activities			(28,401,726)
Investing activities			
Purchase of business net of cash acquired		(51,223,333)	
Purchase of intangible assets		(11,636)	
Proceeds on disposal of intangibles		38,437	
Purchase of tangible fixed assets		(242,997)	
Other investment income received		7,036	
Net cash used in investing activities			(51,432,493)
Financing activities			
Proceeds from issue of shares		416,175	
Proceeds from borrowings		89,455,673	
Net cash generated from/(used in) financing activities			89,871,848
Net increase in cash and cash equivalents			10,037,629
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			10,037,629

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Solo Topco Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Onecom House 4400 Parkway, Whiteley, Fareham, Hampshire, England, PO15 7FJ.

The group consists of Solo Topco Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

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

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Basis of consolidation

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

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

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

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.

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.

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. The directors have taken measures to counter the potential impact of COVID-19 on the operations of the group and the resultant impact on its financial position. Whilst the risks cannot be completely mitigated and therefore some level of future uncertainty remains, the directors have reviewed detailed forecasts and consider the group is able to continue meeting its liabilities as they fall due in the foreseeable future which is considered to be a period of 12 months from the date of approving the financial statements. In particular the directors have considered the forecast level of cash held by the group and consider that a sufficient level of cash shall be held for the group to meet its liabilities and operate within its loan covenants. Management has applied reasonable downside scenarios to stress test the financial forecasts and with these scenarios included still consider that management hold a sufficient level of cash for the group to continue to trade and meets its liabilities for a period of 12 months from signing the financial statements.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Reporting period

These financial statements are for a short period of five months following the incorporation of Solo Topco Limited and aligning the year end with that of its subsidiaries.

Exceptional items

Exceptional items are disclosed in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, being the mobile revenue share and ancillary payments from networks and amounts due in respect of fixed line and converged telephony solutions and is shown net of VAT and other sales related taxes.

Turnover also includes the net amount invoiced to customers in respect of the sale of mobile telephones and accessories and the provision of IT equipment installation and ongoing ancillary services and is also shown net of VAT. Turnover is recognised in the period which services are provided with incentives being spread evenly over contract periods.

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 ten years.

Intangible fixed assets other than goodwill

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

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

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

Capitalised software	Over 10 years
Customer contracts	Over 10 years
Brand name	Over 10 years

Tangible fixed assets

Tangible fixed assets are measured at cost 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	10% to 20% on cost
Fixtures and fittings	15% reducing balance
Computers	15% to 33% reducing balance
Motor vehicles	25% reducing balance

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

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 credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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.

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Financial instruments

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

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

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 trade and other creditors, bank loans and loans from fellow group companies, 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.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the group are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Provisions

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

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

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Employee benefits

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

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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.

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.

Critical judgements

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

Incentives

Included within other debtors is the capitalisation of the incentives given to customers upon the signing of a new contract. This value is then amortised over the estimated life of the contract. The estimate of contract life has been calculated by the average tenure of each different contract that is offered and the estimated economic life thereon.

Bad debt provisions

In respect of the groups sales ledger balances a provision is made of 30% of any debt aged between 90 - 180 days. This is increased to 100% when a debt is older than 180 days. Provision is made in respect of amounts due from networks based on an analysis of the carrying position at the balance sheet date.

Accrued income provisions

The group holds balances within accrued income relating to commission owed by network providers. The group carries out detailed monthly analysis to understand the value expected and assess this against the monies paid by the networks. Where there is a discrepancy these values are queried and a provision is made against these based on the category of the query the transactions fall into.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty (Continued)

Valuation of intangibles

An acquisition of Onecom Group Limited was made by Solo Bidco Limited during the period. On acquisition, the directors made critical judgements in determining the allocation of the purchase price for the assets and liabilities acquired. The directors calculated the value of intangibles to be allocated to Customer contracts and Brand name based on discounted cash flow forecasts to determine the value and useful economic life of the goodwill. Any remaining consideration above the value of the fair value of the assets acquired has been allocated as goodwill. Management do not consider that any indicators of impairment have arisen during the period or to the date of signing the financial statements to indicate that the value of the intangibles assets or goodwill requires impairment.

Deferred contingent consideration

The balance of deferred consideration owed at the year end represents consideration owing on the acquisition of Onecom Group. At the year-end the total amounts of £18,791,000 are included in creditors due greater than one year. The actual value to be paid is dependent on the future financial performance of the Group. At the time of signing these financial statements management has estimated the balance of deferred contingent consideration which they expect to be paid in these financial statements.

3 Turnover and other revenue

	2019 £
Turnover analysed by class of business	
Commissions	22,870,375
Products	6,505,800
Solutions	8,673,390
Other	228,051
Services	153,480
	<u>38,431,096</u>
	2019 £
Turnover analysed by geographical market	
United Kingdom	<u>38,431,096</u>

4 Exceptional costs/(income)	2019 £
Bonus paid on deal completion	<u>4,005,760</u>

The bonuses relate to amounts paid to employees on the completion of the restructuring deal and lead to the operating profit being reduced by the sum of £4,005,760.

SOLO TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019****5 Employees**

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

	Group 2019 Number	Company 2019 Number
Cost of sales	344	-
Administration	56	-
Directors	5	2
	<u>405</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group 2019 £	Company 2019 £
Wages and salaries	4,008,093	49,901
Social security costs	596,509	-
Pension costs	116,552	-
	<u>4,721,154</u>	<u>49,901</u>

6 Operating profit

**2019
£**

Operating profit for the period is stated after charging:

Depreciation of owned tangible fixed assets	175,250
Amortisation of intangible assets	4,727,729
Operating lease charges	<u>247,269</u>

SOLO TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019****7 Auditor's remuneration**

	2019
	£
Fees payable to the company's auditor and its associates:	
For audit services	
Audit of the financial statements of the group and company	27,500
Audit of the financial statements of the company's subsidiaries	54,000
	<u>81,500</u>
For other services	
Taxation compliance services	12,250
All other non-audit services	17,500
	<u>29,750</u>

8 Interest receivable and similar income

	2019
	£
Income from fixed asset investments	
Income from other fixed asset investments	7,036
	<u>7,036</u>

9 Interest payable and similar expenses

	2019
	£
<i>Other interest on financial liabilities</i>	4,955,224
Amortised debt arrangement fee	123,244
	<u>5,078,468</u>

SOLO TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019****10 Taxation**

	2019
	£
Current tax	
UK corporation tax on profits for the current period	1,025,061
	<u>1,025,061</u>
Deferred tax	
Origination and reversal of timing differences	(1,305,074)
Adjustment in respect of prior periods	35,195
	<u>1,269,879</u>
Total deferred tax	(1,269,879)
	<u>(1,269,879)</u>
Total tax credit	(244,818)
	<u>(244,818)</u>

The total tax (credit)/charge for the period included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2019
	£
Loss before taxation	(3,219,436)
	<u>(3,219,436)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(611,693)
Tax effect of expenses that are not deductible in determining taxable profit	331,151
Adjustments in respect of prior years	35,196
Group relief	(1)
Deferred tax adjustments in respect of prior years	(1,095)
Group income	(1,337)
Deferred tax not recognised	2,961
	<u>(244,818)</u>
Taxation credit	(244,818)
	<u>(244,818)</u>

SOLO TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019****11 Intangible fixed assets**

Group	Goodwill	Capitalised software	Customer contracts	Brand name	Total
	£	£	£	£	£
Cost					
Additions	-	11,636	-	-	11,636
Business combinations	59,738,543	551,845	47,510,000	5,333,000	113,133,388
Disposals	-	(38,437)	-	-	(38,437)
At 31 December 2019	59,738,543	525,044	47,510,000	5,333,000	113,106,587
Amortisation and impairment					
Amortisation charged for the period	2,489,106	36,831	1,979,583	222,209	4,727,729
Business combinations	-	62,563	-	-	62,563
At 31 December 2019	2,489,106	99,394	1,979,583	222,209	4,790,292
Carrying amount					
At 31 December 2019	57,249,437	425,650	45,530,417	5,110,791	108,316,295

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

12 Tangible fixed assets

Group	Leasehold improve-ments	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
Additions	-	52,008	191,340	-	243,348
Business combinations	840,753	2,422,555	2,733,842	4,360	6,001,510
At 31 December 2019	840,753	2,474,563	2,925,182	4,360	6,244,858
Depreciation and impairment					
Depreciation charged in the period	15,986	64,379	94,885	-	175,250
Business combinations	277,018	1,369,108	1,807,878	-	3,454,004
At 31 December 2019	293,004	1,433,487	1,902,763	-	3,629,254
Carrying amount					
At 31 December 2019	547,749	1,041,076	1,022,419	4,360	2,615,604

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

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

13 Fixed asset investments

	Notes	Group 2019 £	Company 2019 £
Investments in subsidiaries	14	-	1
Unlisted investments		8	-
		<u>8</u>	<u>1</u>

Movements in fixed asset investments Group

	Investments other than loans £
Cost or valuation	
At 28 June 2019	-
Business combinations	8
	<u>8</u>
At 31 December 2019	8
Carrying amount	
At 31 December 2019	<u>8</u>

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 28 June 2019	-
Additions	1
	<u>1</u>
At 31 December 2019	1
Carrying amount	
At 31 December 2019	<u>1</u>

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

14 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Solo Bidco Limited	*1	Holding company	Ordinary	100.00	-
Onecom Group Limited	*1	Holding company	Ordinary	-	100.00
Onecom Limited	*1	Resale of mobile connections	Ordinary	-	100.00
Onecom (Southampton) Limited	*2	Resale of mobile connections	Ordinary	-	50.00

*1 The registered office of Solo Bidco Limited, Onecom Group Limited and Onecom Limited is Onecom House 4400 Parkway, Whiteley, Fareham, Hampshire, PO15 7FJ.

*2 The registered office of Onecom (Southampton) Limited is International House, Southampton International Business Park, George Curl Way, Southampton, Hampshire, SO18 2RZ.

SOLO TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 31 DECEMBER 2019**15 Acquisitions**

On 19 July 2019 the group acquired 100% percent of the issued capital of Onecom Group Limited, including its 100% subsidiary Onecom Limited and 50% of Onecom (Southampton) Limited for consideration of £110,387,887.

	Book Value	Adjustments	Fair Value
	£	£	£
Intangible assets	489,282	52,843,000	53,332,282
Property, plant and equipment	2,547,857	-	2,547,857
Goodwill	37,294,013	(37,294,013)	-
Investments	8	-	8
Inventories	922,561	-	922,561
Trade and other receivables	35,112,731	-	35,112,731
Cash and cash equivalents	21,273,557	-	21,273,557
Trade and other payables	(52,274,505)	-	(52,274,505)
Provisions	(147,459)	(10,040,170)	(10,187,629)
Total identifiable net assets	45,218,045	5,508,817	50,726,862
Non-controlling interests			(77,515)
Goodwill			59,738,540
Total consideration			110,387,887
The consideration was satisfied by:			£
Cash			69,271,472
Issue of loan notes			19,100,000
Deferred consideration			18,791,000
Deal costs			3,225,415
			110,387,887
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			38,431,096
Profit after tax			2,970,707

16 Stocks

	Group	Company
	2019	2019
	£	£
Finished goods and goods for resale	600,509	-

SOLO TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019****17 Debtors**

	Group 2019 £	Company 2019 £
Amounts falling due within one year:		
Trade debtors	9,961,279	-
Corporation tax recoverable	73,451	-
Amounts owed by group undertakings	-	53,327,340
Other debtors	21,811,435	-
Prepayments and accrued income	7,502,215	-
	<u>39,348,380</u>	<u>53,327,340</u>
Amounts falling due after more than one year:		
Other debtors	15,441,066	-
	<u>15,441,066</u>	<u>-</u>
Total debtors	<u>54,789,446</u>	<u>53,327,340</u>

18 Creditors: amounts falling due within one year

	Group 2019 £	Company 2019 £
Trade creditors	33,400,346	-
Amounts owed to group undertakings	-	322,243
Other taxation and social security	2,574,751	-
Other creditors	1,079,913	-
Accruals and deferred income	5,337,093	2,884,332
	<u>42,392,103</u>	<u>3,206,575</u>

SOLO TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019****19 Creditors: amounts falling due after more than one year**

	Notes	Group 2019 £	Company 2019 £
Other borrowings	20	108,555,673	52,663,824
Other creditors		18,791,000	-
		<u>127,346,673</u>	<u>52,663,824</u>

Other borrowings of £108,555,673 are secured by a fixed and floating charge over the groups assets.

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

Payable other than by instalments	<u>52,480,742</u>	<u>-</u>
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20 Borrowings

		Group 2019 £	Company 2019 £
Other loans		<u>108,555,673</u>	<u>52,663,824</u>
Payable after one year		<u>108,555,673</u>	<u>52,663,824</u>

Other loans of £108,555,673 are secured by a fixed and floating charge over the groups assets.

Other loans of £55,891,849 are repayable in 6 years and interest is payable at 7% + LIBOR for the term of the loan. The remaining balance of loan notes of £52,663,824 are repayable in 8 years and interest is payable at 12% for the term of the loan. All interest is paid quarterly.

21 Provisions for liabilities

	Notes	Group 2019 £	Company 2019 £
Dilapidations		147,459	-
Deferred tax liabilities	22	<u>8,954,184</u>	<u>-</u>
		<u>9,101,643</u>	<u>-</u>

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

21 Provisions for liabilities (Continued)

Movements on provisions apart from deferred tax liabilities:

Group	Dilapidations £
Acquired in business combination	147,459

22 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

Group	Liabilities 2019 £
Accelerated capital allowances	231,495
Other timing differences	(899,141)
Arising on business combinations	9,621,830
	8,954,184

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
Movements in the period:		
Liability at 28 June 2019	-	-
Credit to profit or loss	(1,269,879)	-
Arising on business combinations	10,224,063	-
Liability at 31 December 2019	8,954,184	-

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

23 Retirement benefit schemes

Defined contribution schemes	2019 £
Charge to profit or loss in respect of defined contribution schemes	116,552

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.

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

24 Share capital

	Group and company 2019 £
Ordinary share capital	
Issued and fully paid	
48,119 Ordinary A shares of 5p each	2,406
35,246 Ordinary B shares of 10p each	3,525
1,763 Ordinary C shares of 20p each	353
15,000 Ordinary D shares of 20p each	3,000
	<u>9,284</u>

On incorporation 1 ordinary share was issued at par. The ordinary share was then subdivided into 5 ordinary C shares of 20p each.

During the period, 48,119 ordinary A shares with a nominal value of 5p were issued for cash consideration of £4.16 per share, 35,246 ordinary B shares with a nominal value of 10p per share were issued for cash consideration of £4.16 per share, 1,630 ordinary C share were issued with a nominal value of 20p per share were issued for cash consideration of £4.16 per share and 13,500 ordinary D shares were issued with a nominal value of 20p per share for cash consideration of £4.19 per share.

Shares rank pari-passu in all respects, unless an enhanced voting right event occurs in which case the holders of ordinary A shares would be entitled to 75% of all voting rights being cast. The shares are non-redeemable.

25 Reserves

Equity reserve

Cumulative profit and loss net of distributions to owners.

SOLO TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019****26 Cash generated from group operations**

	2019
	£
Loss for the period after tax	(2,974,618)
Adjustments for:	
Taxation credited	(244,818)
Finance costs	5,078,468
Investment income	(7,036)
Amortisation and impairment of intangible assets	4,727,729
Depreciation and impairment of tangible fixed assets	175,250
(Decrease) in provisions	(18,996,390)
Movements in working capital:	
Decrease in stocks	322,052
(Increase) in debtors	(19,603,264)
Increase in creditors	8,908,598
Cash absorbed by operations	(22,614,029)

27 Analysis of changes in net debt - group

	28 June 2019	Cash flows	31 December 2019
	£	£	£
Cash at bank and in hand	-	10,037,629	10,037,629
Borrowings excluding overdrafts	-	(108,555,673)	(108,555,673)
	-	(98,518,044)	(98,518,044)

28 Operating lease commitments**Lessee**

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

	Group	Company
	2019	2019
	£	£
Within one year	611,691	-
Between one and five years	1,754,628	-
In over five years	459,583	-
	2,825,902	-

SOLO TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

29 Events after the reporting date

Subsequent to the company's financial year end, the World Health Organization (WHO) announced on 31 January 2020 a global health emergency related to a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the associated risks to international communities, and the global economy, as the virus spreads beyond its point of origin. On 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic due to a rapid increase in global exposures. These events are having a significant negative impact on global stock markets, currencies, and general business activities. The timing and extent of the impact and recovery from the COVID-19 outbreak is unknown but may have an impact on the company's activities in an uncertain global market.

Subsequent to the year end, the group acquired Glamorgan Telecom Limited and Nice Network Ltd.

30 Controlling party

The directors consider the ultimate controlling party to be Lloyds Development Capital by virtue of their majority shareholding in Solo Topco Limited.