Registered number: 12027708

HOOK BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

HOOK BIDCO LIMITED

COMPANY INFORMATION

Directors	R P J Green B Rinck (appointed 15 April 2024)
Registered number	12027708
Registered office	6th Floor 9 Appold Street London EC2A 2AP
Trading address	1 Beta Terrace West Road Ransomes Industrial Estate Ipswich IP3 9FE
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 14th Floor 103 Colmore Row Birmingham B3 3AG

HOOK BIDCO LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their Strategic Report for the year ended 31 December 2022.

Business review

The Company owns 100% of the issued share capital of Ridgewall Limited. The Company was incorporated to issue loan notes to fund this investment and to provide management services to the group. The Company incurs group management costs, which are recharged to group companies. The funding is through loan notes and intercompany loans. The interest payable on these loan notes is at a fixed rate. As such, no further review of key performance indicators is deemed necessary.

Principal risks and uncertainties

The Company is entirely dependent on the financial performance of Ridgewall Limited and in turn its direct and indirect subsidiary undertakings. The ultimate parent company of the group and the company that prepares consolidated financial statements is Hook Topco Limited. Accounts for all group companies can be obtained from Companies House setting out the relevant risk and uncertainties.

Post reporting date events

The terms and conditions of the business lending facility with Clydesdale Bank PLC were updated in March 2024, with revised financial covenants and capital repayment requirements.

There have been no other significant events affecting the Company since the year end.

Future developments

The business will continue to be at the forefront of next generation managed IT, cyber security, connectivity and cloud services, unified communications and document solutions. Whilst it is particularly strongly represented in the hospitality industry, the team's experience and capabilities mean that it is delivering value to clients across a broad and well-diversified range of sectors. The Group is well prepared for future growth and different customer landscapes and services.

This report was approved by the board and signed on its behalf.

R P J Green
Director

Date: 17 May 2024

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activity

The principal activity of the Company was that of a holding company.

Results and dividends

The loss for the year, after taxation, amounted to £16,808,846 *(2021 - £11,797,267)*.

No ordinary dividends were paid in the year *(2021 - £Nil)*. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

R P J Green
A Kane (appointed 16 November 2022, resigned 29 March 2024)
M E Campbell (resigned 12 May 2022)
D McAnaspie (resigned 21 April 2022)

After year end, B Rinck was appointed on 15 April 2024.

Qualifying third party indemnity provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its director during the period. These provisions remain in force at the reporting date.

Matters covered in the Strategic Report

Future development, post reporting date events and financial risk disclosure information is not shown within the Directors' Report as it is instead included within the Strategic Report on page 1 under S414c (11).

Going concern

The Group made a loss of £21,983,684 and has net current liabilities of £9,464,254 and net liabilities of £50,267,946 at the year end. The business has prepared forecasts for the period to 31 December 2025 that assume that revenue growth started in 2023 and subsequent years and that the Group will generate positive cash flow. The directors consider that the revenue growth plans are achievable but given they are future events, there is a risk that these growth rates will not be achieved. The directors would take mitigating actions if required.

Since the year end, trading conditions have continued to be challenging. There has been a net inflow of cash since the year end, the Company and the Group headed by Hook Topco Limited has continued to meet its day to day working capital requirements and has maintained a cash balance.

As shown in note 18, the Company is subject to cross guarantees on the debt in the Group. As such the Directors consider the forecasts of each individual component in determining the Group's cash flow forecasts and undertake a process of projecting incomes on a rolling basis, regularly analysing cashflows, updating cashflow forecasts and reviewing actual performance against budget.

The terms and conditions of the business lending facility with Clydesdale Bank PLC were updated in March 2022, in March 2023 and again in March 2024, with revised financial covenants and capital repayment requirements, with the repayment date extended to September 2025. The group's cash flow forecasts for the 12 months after the date of approval of these financial statements indicate that there will be no breaches of these revised covenants, however, there will not be sufficient cash generated to repay the Group's bank debt of £6,243,807 as at 31 December 2022 and the Group's management and investor loan notes of £52,317,182 on the planned repayment dates in September 2025 and October 2025 respectively. In addition, the revised facilities agreed with the Group's bankers in March 2024 contain covenants that may still be breached in a plausible worst-case scenario in the forecasts prepared by the directors. If there is a breach, waivers will need to be obtained, covenants renegotiated or access to alternative funding required.

The directors have received written confirmation from its ultimate controlling party of its intention to support the Company and Group over the coming 12 months from the date of signature of the current financial statements, as commercially appropriate. The directors expect that the loan note holders and the Bank will continue to support the Company and Group through extending the repayment dates and that the group will have adequate resources to meet its day to day requirements and to continue in operational existence. However, given the extended repayment dates have not been agreed and that the revised covenants in a plausible worst-case scenario may be breached, these conditions represent a material uncertainty that may cast significant doubt on the Company's and Group's ability to continue as a going concern.

Having considered these factors the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence, meeting all liabilities as they fall due, for a period of twelve months from the approval of the financial statement and as such the directors have determined that the Company's application of the going concern basis of accounting remains appropriate.

The directors expect that the Group will show a recovery in future years in terms of revenue, EBITDA and cash balances. The Group has prepared forecasts for the period to 31 December 2025 that assume that annual revenue will grow over that period. that the Group will return to generating positive cash flow and reviews incorporate assumptions which are actively monitored and sensitised by the Directors. The directors consider that the revenue growth plans are achievable but given they are future events, there is a risk that these growth rates will not be achieved. The directors continue to take mitigating actions to reduce costs by reviewing discretionary and variable costs.

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditor

Each of the persons who are directors at the time when this Director's Report is approved has confirmed that:

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

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

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

R P J Green
Director

Date: 17 May 2024

DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

select suitable accounting policies for the Company's financial statements and then apply them consistently;

make judgements and accounting estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

evelyn

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOOK BIDCO LIMITED

Opinion
We have audited the financial statements of Hook Bidco Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Material uncertainty related to going concern

We draw attention to note 2.4, which explains that the directors of the Company expect that the investors and bankers will continue to support the Group headed by Hook Topco Limited financially through extending the redemption dates of the various debt instruments in issue although this has not been agreed as at the date of signing the financial statements. The company is subject to cross guarantees as disclosed in note 18. The latest forecast suggests that the Company will not have the cash available to repay the debt when they become due. The revised facilities agreed with the Group's bankers in March 2024 contain covenants that may still be breached in a plausible worst-case scenario in the forecasts prepared by the directors. If there is a breach, waivers will need to be obtained, covenants renegotiated or access to alternative funding required.

As stated in note 2.4, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and consequentially the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The director's is responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's 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, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of director's 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 Director's Responsibilities Statement set out on page 5, the director's is 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 director's 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 director's is responsible for assessing the 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 director's either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the Company's legal and regulatory framework through enquiry of management concerning: their understanding of the relevant laws and regulations; the Company's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Company's industry and regulation.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to General Accepted Accounting Practices and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statement. We also considered those laws and regulations that might have a direct impact on the financial statements such as the Companies Act 2006.

We discussed among the audit engagement team regarding the opportunities and incentives, including management override of controls, that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. We also communicated the applicable laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below.

The principal risks related to management override in relation to posting of non-standard manual journals in respect of management bias in accounting estimates. Procedures performed to address these were as follows:

Substantive work on material areas affecting profits.
Challenging management regarding the assumptions used in calculations of estimates.
Testing journal entries.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

Stephen Drew (Senior Statutory Auditor)

for and on behalf of
CLA Evelyn Partners Limited

Chartered Accountants
Statutory Auditor

14th Floor 103 Colmore Row
Birmingham
B3 3AG

17 May 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	*2021 £*
Administrative expenses		**(199,729)**	*(164,455)*
Exceptional administrative expenses	4	**(15,058,141)**	*(10,280,427)*
Other operating income	5	**157,500**	*157,500*
Interest payable and similar expenses	8	**(1,708,476)**	*(1,509,885)*
Loss before tax		**(16,808,846)**	*(11,797,267)*
Tax on loss	9	**-**	-
Loss for the financial year		**(16,808,846)**	*(11,797,267)*

There was no other comprehensive income for 2022 *(2021 - £Nil)*.

The notes on pages 13 to 26 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £		*2021 £*
Fixed assets					
Investments	10		**11,332,962**		*26,391,103*
			11,332,962		*26,391,103*
Current assets					
Debtors: amounts falling due within one year	11	**435,823**		*1,222,163*	
Cash at bank and in hand		**125**		*12,899*	
		435,948		*1,235,062*	
Creditors: amounts falling due within one year	12	**(26,594,410)**		*(27,351,295)*	
Net current liabilities			**(26,158,462)**		*(26,116,233)*
Total assets less current liabilities			**(14,825,500)**		*274,870*
Creditors: amounts falling due after more than one year	13		**(15,316,776)**		*(13,608,300)*
Net liabilities			**(30,142,276)**		*(13,333,430)*
Capital and reserves					
Called up share capital	16		**1**		*1*
Profit and loss account	17		**(30,142,277)**		*(13,333,431)*
Shareholders' deficit			**(30,142,276)**		*(13,333,430)*

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

R P J Green
Director

Date: 17 May 2024

The notes on pages 13 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1	(1,536,164)	(1,536,163)
Comprehensive loss for the year			
Loss for the year	-	(11,797,267)	(11,797,267)
At 1 January 2022	1	(13,333,431)	(13,333,430)
Comprehensive loss for the year			
Loss for the year	-	(16,808,846)	(16,808,846)
At 31 December 2022	1	(30,142,277)	(30,142,276)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Hook Bidco Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 12027708). The registered office is 6th Floor, 9 Appold Street, London, EC2A 2AP and the trading address is 1 Beta Terrace, West Road, Ransomes Industrial Estate, Ipswich, IP3 9FE.

The Company's principal activities and nature of its operations are disclosed in the Director's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

the requirements of Section 7 Statement of Cash Flows;

the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hook Topco Limited as at 31 December 2022 and these financial statements may be obtained from 6th Floor, 9 Appold Street, London, EC2A 2AP.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006

2. Accounting policies (continued)

2.4 Going concern

The Group made a loss of £21,983,684 and has net current liabilities of £9,464,254 and net liabilities of £50,267,946 at the year end. The business has prepared forecasts for the period to 31 December 2025 that assume that revenue growth started in 2023 and subsequent years and that the Group will generate positive cash flow. The directors consider that the revenue growth plans are achievable but given they are future events, there is a risk that these growth rates will not be achieved. The directors would take mitigating actions if required.

Since the year end, trading conditions have continued to be challenging. There has been a net inflow of cash since the year end, the Company and the Group headed by Hook Topco Limited has continued to meet its day to day working capital requirements and has maintained a cash balance.

As shown in note 18, the Company is subject to cross guarantees on the debt in the Group. As such the Directors consider the forecasts of each individual component in determining the Group's cash flow forecasts and undertake a process of projecting incomes on a rolling basis, regularly analysing cashflows, updating cashflow forecasts and reviewing actual performance against budget.

The terms and conditions of the business lending facility with Clydesdale Bank PLC were updated in March 2022, in March 2023 and again in March 2024, with revised financial covenants and capital repayment requirements, with the repayment date extended to September 2025. The group's cash flow forecasts for the 12 months after the date of approval of these financial statements indicate that there will be no breaches of these revised covenants, however, there will not be sufficient cash generated to repay the Group's bank debt of £6,243,807 as at 31 December 2022 and the Group's management and investor loan notes of £52,317,182 on the planned repayment dates in September 2025 and October 2025 respectively. In addition, the revised facilities agreed with the Group's bankers in March 2024 contain covenants that may still be breached in a plausible worst-case scenario in the forecasts prepared by the directors. If there is a breach, waivers will need to be obtained, covenants renegotiated or access to alternative funding required.

The directors have received written confirmation from its ultimate controlling party of its intention to support the Company and Group over the coming 12 months from the date of signature of the current financial statements, as commercially appropriate. The directors expect that the loan note holders and the Bank will continue to support the Company and Group through extending the repayment dates and that the group will have adequate resources to meet its day to day requirements and to continue in operational existence. However, given the extended repayment dates have not been agreed and that the revised covenants in a plausible worst-case scenario may be breached, these conditions represent a material uncertainty that may cast significant doubt on the Company's and Group's ability to continue as a going concern.

Having considered these factors the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence, meeting all liabilities as they fall due, for a period of twelve months from the approval of the financial statement and as such the directors have determined that the Company's application of the going concern basis of accounting remains appropriate.

2. Accounting policies (continued)

2.4 Going concern (continued)

The directors expect that the Group will show a recovery in future years in terms of revenue, EBITDA and cash balances. The Group has prepared forecasts for the period to 31 December 2025 that assume that annual revenue will grow over that period, that the Group will return to generating positive cash flow and reviews incorporate assumptions which are actively monitored and sensitised by the Directors. The directors consider that the revenue growth plans are achievable but given they are future events, there is a risk that these growth rates will not be achieved. The directors continue to take mitigating actions to reduce costs by reviewing discretionary and variable costs.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.7 Valuation of investments

Interests in subsidiaries are initially measured at cost and subsequently 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 Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2. Accounting policies (continued)

2.8 Financial instruments

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

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 includes amounts owed by group undertakings, other debtors (including accrued income) and loan notes, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

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

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

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

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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 Company 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 Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, amounts owed to group undertakings, accruals and loan notes, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

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

2.9 Equity instruments

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

2.10 Taxation

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

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. Taxable profit can differ from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

2. Accounting policies (continued)

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

In the application of the Company's accounting policies, the director is 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 accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the director's opinion, there are no estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

The Company has recognised provisions in its financial statements, which requires management to make judgements and estimates in respect of:

carrying value of investments;
recoverability of amounts owed by group undertakings and loan notes; and
accruals for contingent consideration on acquisitions.

Investments are impaired based on predicted earnings discounted to NPV; group undertakings amounts receivable based on trading performance of the group and deferred considerationis based on performance against conditions of the deferral.

4. Exceptional items

	2022	*2021*
	£	*£*
Impairment of amounts owed by group undertakings	**-**	*10,280,427*
Impairment of investment	**15,058,141**	-
	15,058,141	*10,280,427*

For the In the prior year the impairment related to group loans.

5. Other operating income

	2022	*2021*
	£	*£*
Management charges	**157,500**	*157,500*

6. Auditor's remuneration

The audit fee of £9,600 *(2021 - 8,755)* was borne by the Company's subsidiary.

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration *(2021 - £Nil)*.

8. Interest payable and similar expenses

	2022	*2021*
	£	*£*
Interest on loan notes from group undertakings	**1,708,476**	*1,509,885*

9. Taxation

	2022 £	*2021* *£*
Total current tax	**-**	*-*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2021 - higher than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022 £	*2021* *£*
Loss on ordinary activities before tax	**(16,808,846)**	*(11,797,267)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(2021 - 19%)*	**(3,193,681)**	*(2,241,481)*
Effects of:		
Impairment provision not allowable for tax	**2,861,047**	*1,953,281*
Losses surrendered to other group companies	**332,634**	*288,200*
Total tax charge for the year	**-**	*-*

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023.

10. Fixed asset investments

	Investments in subsidiary companies
	£
Cost	
At 1 January 2022	**26,391,103**
At 31 December 2022	**26,391,103**
Impairment	
Charge for the year	**15,058,141**
At 31 December 2022	**15,058,141**
Net book value	
At 31 December 2022	**11,332,962**
At 31 December 2021	*26,391,103*

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Ridgewall Limited	See below	Managed IT and print management	Ordinary	100 %
Connecting London Limited	See below	Managed IT and telecommunication services	Ordinary	100 %
Telnet International Limited	See below	Managed IT and telecommunication services	Ordinary	100 %
Nomis Connections Limited	See below	Managed IT and telecommunication services	Ordinary	100 %
QDOS SBL Group Limited	See below	Managed IT and telecommunication services	Ordinary	100 %

All of the above companies are incorporated in the United Kingdom. The registered office for all of the above companies is 6th Floor, 9 Appold Street, London, EC2A 2AP.

Connecting London Limited, Telnet International Limited, Nomis Connections Limited and QDOS SBL Group Limited are 100% owned by Ridgewell Limited.

11. Debtors

	2022 £	*2021* *£*
Due after more than one year		
Loan notes from group undertakings	**285,000**	*285,000*
Impairment of loan notes from group undertakings	**(285,000)**	*(285,000)*
	-	-
Due within one year		
Trade debtors	-	*252,000*
Amounts owed by group companies	**10,547,486**	*9,995,427*
Impairment of amounts owed by group companies	**(10,137,986)**	*(9,995,427)*
Other debtors	**3,331**	*970,163*
Prepayments and accrued income	**22,992**	-
	435,823	*1,222,163*

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

The directors have reviewed the amounts due from group companies due within one year and consider that there is a doubt about recoverability and have made an impairment provision. The provision amounts to £10,422,986 *(2021 - £10,280,427)*.

12. Creditors: Amounts falling due within one year

	2022 £	*2021* *£*
Trade creditors	**474,831**	*300,020*
Amounts owed to group companies	**25,989,133**	*25,988,800*
Accruals and deferred income	**130,446**	*1,062,475*
	26,594,410	*27,351,295*

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

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

	2022 £	*2021* *£*
Loan notes to group undertakings	**15,316,776**	*13,608,300*

Amounts included above which fall due after five years are payable other than by instalments.

14. Loans

Analysis of the maturity of loans is given below:

	2022 £	*2021* *£*
Amounts falling due 2-5 years		
Loan notes to group undertakings	**15,316,776**	*13,608,300*
	15,316,776	*13,608,300*

The loan notes are unsecured, bear interest at 12% and are repayable on 31 October 2025. The balance at 31 December 2022 includes accrued interest of £4,781,543 *(2021 - £3,077,176)* and is included within creditors due after more than one year.

15. Financial instruments

	2022 £	*2021* *£*
Financial assets		
Financial assets measured at fair value through profit or loss	**435,823**	*1,222,163*
Financial liabilities		
Other financial liabilities measured at fair value through profit or loss	**(41,911,186)**	*(40,959,595)*

Financial assets measured at fair value through profit or loss comprise trade debtors, other debtors (including accrued income), loan notes and amounts owed by group companies.

Other financial liabilities measured at fair value through profit or loss comprise trade creditors, other creditors (including accruals), amounts owed to group companies, bank loans, other loans and loan notes.

16. Share capital

	2022	*2021*
	£	*£*
Allotted, called up and fully paid		
1 Ordinary share of £1.00	1	*1*

The Company's Ordinary share carries no right to fixed income.

17. Reserves

Profit and loss account

The profit and loss reserve represents the cumulative profit and loss net of distributions.

18. Financial commitments, guarantees and contingent liabilities

Cross guarantees to secure loan note borrowings in Hook Topco Limited and Hook Midco 1 Limited exists between Hook Topco Limited, Hook Midco 1 Limited, Hook Midco 2 Limited, Hook Bidco Limited, Ridgewall Limited, Connecting London Limited, Telnet International Limited and Nomis Connections Limited. The amounts outstanding at 31 December 2022 totalled £52,317,182 (*2021* - £47,153,067).

A cross guarantee to secure bank loan borrowings in Ridgewall Limited exists between Ridgewall Limited, Connecting London Limited, Telnet International Limited and Nomis Connections Limited. The amount outstanding at 31 December 2022 was £6,243,807 *(2021 - £6,026,646)*.

19. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

20. Events after the reporting date

The terms and conditions of the business lending facility with Clydesdale Bank PLC were updated in March 2024, with revised financial covenants and capital repayment requirements.

There have been no other significant events affecting the Company since the year end.

21. Controlling party

The immediate parent undertaking is Hook Midco 2 Limited, a company registered in England and Wales.

The ultimate parent undertaking is Hook Topco Limited, a company registered in England and Wales.

The smallest and largest group of undertakings for which group accounts for the year ending 2022 have been drawn up, is that headed by Hook Topco Limited. The registered office address of Hook Topco Limited is 6th Floor, 9 Appold Street, London, EC2A 2AP. Copies of the group accounts are available from Companies House.

The ultimate controlling entity is Inflexion Enterprise Fund V GP Guernsey Limited, a company registered in Guernsey. In the opinion of the director there is deemed to be no one controlling party.

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