

Company Registration No. 03914233 (England and Wales)

SOLUTIONS 30 UK SERVICES LIMITED

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



SOLUTIONS 30 UK SERVICES LIMITED

COMPANY INFORMATION

Directors	Mr P M Garston Mr F D'Aloia Mr A Boilot
Company number	03914233
Registered office	Viscount House River Lane Saltney Chester CH4 8RH United Kingdom
Auditor	Bennett Brooks & Co. Limited Chartered Accountants & Statutory Auditors St George's Court Winnington Avenue Northwich Cheshire CW8 4EE

SOLUTIONS 30 UK SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the Strategic Report for the year ended 31 December 2021.

Business model

Since the acquisition of the trade and assets of Mono Consultants Limited in October 2021, the Company provides an end-to-end solution to mobile network operators and infrastructure owners in the telecoms sector. This includes acquisition, design and deployment of sites across the UK.

The results are as shown in the statement of comprehensive income on page 8. Whilst the acquisition completed during the year provides the foundation for growth in future years, the period immediately post acquisition up to the year end was focussed on transitioning customer contracts and establishing a strong supply chain capable of meeting the needs of the business. As a result, trading performance was depressed with turnover of £2,025,304 (2020: £4,672) and EBITDA of £3,235 (2020: loss of £25,359). The loss for the year after taxation was £54,546 (2020: loss of £27,715) and no dividends were declared or paid in the year (2020: £nil).

Principal risks and uncertainties

The Company is exposed to the risk of a downturn in activity within the telecommunications service sector. The Company manages this risk by focusing on the range and quality of the services it provides to its customers while identifying and pursuing new or additional opportunities.

The telecoms sector, and therefore the Company, is not immune to the risks and uncertainties posed by operational and technological changes and by financial pressures within its customers and markets. However, the directors believe that major factors such as the completion of the spectrum auctions and the development of 5G plans will enable the Company to trade profitably over the medium term and develop a strong pipeline of work.

The Company is exposed to the risk of default by its trade debtors. The directors consider this risk to be minimised due to the customer base being largely blue-chip organisations with whom the Company has a long term trading relationship combined with exercising strong credit control. The trade debtors presented in the balance sheet are stated net of provision for doubtful debts. Provision is made where the directors consider there to be a risk that the full amount of the outstanding receivable will not be recoverable.

In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term finance. Short term finance is available through invoice discounting facilities and this is supplemented with loans from the ultimate parent company where necessary. The ultimate parent company has also provided long term loan funding. Forward looking cash flow projections are prepared on a regular basis to assess funding requirements. The credit risk on liquid funds is limited given the nature of the providers.

Future developments

The acquisition of the trade and assets of Mono Consultants Limited will allow the Company, in conjunction with its sister company, Comvergent Limited, to expand its customer base and capitalise on the anticipated growth in the market over the next 12 months.

Key performance indicators

The directors consider the key performance indicators to be those that reflect the underlying trading performance of the Company. The directors consider that turnover, gross profit and EBITDA provide the most representative measures of the Company's performance.

	2021	2020
	£	£
Turnover	2,025,304	4,672
Gross (loss) / profit	(170,820)	9,740
Gross margin	-8%	208%
EBITDA	3,235	(25,359)
EBITDA margin	0%	-543%

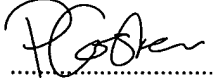
SOLUTIONS 30 UK SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

In addition to the financial KPIs, the directors monitor a suite of operational KPIs relating to health & safety, productivity and quality. Further details of these KPIs are not published due to their commercial sensitivity.

This report was approved by the Board and signed on its behalf by:



.....
Mr P M Garston
Director

26.9.2022

SOLUTIONS 30 UK SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

The principal activity of the Company during the year was that of the provision of managed end-to-end technical services to the telecommunications sector.

Directors

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

Mr P M Garston
Mr F D'Aloia
Mr A Boilot

Results and dividends

The results for the year are set out on page 8. No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The directors have not benefited from third party indemnity provisions in place during the financial year and to the date of this report.

Going concern

The directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. In satisfaction of this responsibility the directors have considered the Company's ability to meet its liabilities as they fall due.

The Company's business activities, together with the factors likely to affect future development and performance are set out in the Strategic Report, including management of liquidity and credit risk.

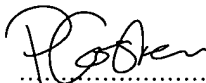
The Company meets its day to day working capital requirements through an invoice discounting facility with further supporting being made available by the ultimate parent company as required. The directors have received a letter of support from its ultimate parent company, Solutions 30 SE, confirming that it will continue to support the Company for a period of at least 12 months from the date of approval of the 31 December 2021 Solutions 30 UK Services Limited financial statements.

Auditor

The auditor, Bennett Brooks & Co. Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

On behalf of the board



Mr P M Garston
Director

Date: 26/09/2022

SOLUTIONS 30 UK SERVICES LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Strategic Report, 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 Company and of the profit or loss of the Company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 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 SOLUTIONS 30 UK SERVICES LIMITED

Opinion

We have audited the financial statements of Solutions 30 UK Services Limited (the 'Company') for the year ended 31 December 2021 which comprise the income statement, the statement of financial position 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 Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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 the audit:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLUTIONS 30 UK SERVICES LIMITED

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 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, 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 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 4, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and regulations which govern the preparation of financial statements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of business. Audit procedures performed included:

- Enquiry of management around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations; and
- Review of board meeting minutes, where applicable.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLUTIONS 30 UK SERVICES LIMITED

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.



Jason Leach FCA (Senior Statutory Auditor)
For and on behalf of Bennett Brooks & Co. Limited
Chartered Accountants & Statutory Auditors
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE
Date: 26 September 2022

SOLUTIONS 30 UK SERVICES LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Turnover	3	2,025,304	4,672
Cost of sales		<u>(2,196,124)</u>	<u>5,068</u>
Gross (loss) / profit		(170,820)	9,740
Administrative expenses		(599,990)	(37,454)
Other operating income		<u>700,000</u>	<u>-</u>
Operating loss	4	(70,810)	(27,714)
Interest payable and similar expenses	7	<u>(21,851)</u>	<u>(1)</u>
Loss before taxation		(92,661)	(27,715)
Tax on loss	8	<u>38,115</u>	<u>-</u>
Loss for the financial year		<u><u>(54,546)</u></u>	<u><u>(27,715)</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

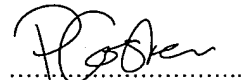
The notes on pages 11 to 24 form part of these financial statements.

SOLUTIONS 30 UK SERVICES LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	£	2021 £	£	2020 £
Fixed assets					
Goodwill	10		1,876,049		-
Tangible assets	11		32,963		3,692
Current assets					
Debtors	12	7,289,569		174,783	
Cash		762,130		722	
			<u>8,051,699</u>	<u>175,505</u>	
Creditors: amounts falling due within one year	13	(2,827,524)		(598,354)	
Net current assets / (liabilities)			<u>5,224,175</u>	<u>(422,849)</u>	
Total assets less current liabilities			<u>7,133,187</u>	<u>(419,157)</u>	
Creditors: amounts falling due after more than one year	14		(7,606,890)		-
Net liabilities			<u>(473,703)</u>	<u>(419,157)</u>	
Capital and reserves					
Called up share capital	17		1,325		1,325
Capital redemption reserve			225		225
Profit and loss reserves			(475,253)		(420,707)
Total deficit			<u>(473,703)</u>	<u>(419,157)</u>	

The notes on pages 11 to 24 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 26/09/2022 and are signed on its behalf by:



Mr P M Garston
Director

SOLUTIONS 30 UK SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
Balance at 1 January 2020	1,325	225	(392,992)	(391,442)
Year ended 31 December 2020:				
Loss and total comprehensive expense for the year	-	-	(27,715)	(27,715)
Balance at 31 December 2020	<u>1,325</u>	<u>225</u>	<u>(420,707)</u>	<u>(419,157)</u>
Year ended 31 December 2021:				
Loss and total comprehensive expense for the year	-	-	(54,546)	(54,546)
Balance at 31 December 2021	<u>1,325</u>	<u>225</u>	<u>(475,253)</u>	<u>(473,703)</u>

The notes on pages 11 to 24 form part of these financial statements.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

Company Information

Solutions 30 UK Services Limited (company no 03914233) is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Viscount House, River Lane, Saltney, Chester, United Kingdom, CH4 8RH.

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:

- 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; and,
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Solutions 30 SE. These consolidated financial statements are available from its registered office, 3 Rue De La Reine, Luxembourg, L-2418.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company is in a net liability position at 31 December 2021 of £473,703 (2020: £419,157 net liability) as a result of a previous transfer of trade into Comvergent Limited and subsequent losses realised. The directors have received a letter of support from the Company's ultimate parent company, Solutions 30 SE, confirming that it will continue to support the Company for a period of at least 12 months from the date of approval of the 31 December 2021 Solutions 30 UK Services Limited financial statements. On this basis the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided to customers during the period, exclusive of Value Added Tax.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Other income is recognised when the service has been provided.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

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 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Leasehold improvements	- 20% straight line
Fixtures and fittings	- 20% straight line
Office Equipment	- at varying rates straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials.

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 include cash in hand.

Accrued and deferred income

Revenue is recognised in the accounting period in which the services are rendered when the outcome and stage of completion can be estimated reliably. The Company uses the percentage of completion method based on the actual service performed as a percentage of the total services to be provided.

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 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 include trade, group 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.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately 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 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, group and other creditors, 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.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

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

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the Company 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 Company.

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 is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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 leases asset are consumed.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2. Key judgements and other key sources of estimation uncertainty

In the application of the Company'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 Company makes estimates and assumptions confirming the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that will have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

Accrued income

Accrued income is stated at estimated recoverable value. Calculation of estimated recoverable value for accrued income requires management to measure actual and projected profit recovery on contracts. Measurement of projected profit recovery is inherently uncertain.

Determination of fair values on acquisitions

The determination of the fair values of the trade and assets acquired from Mono Consultants Limited required the use of estimates in the valuation of work-in-progress balances, payments not to be made to suppliers and the level of deferred consideration that would be payable. In the event that these judgements prove incorrect, future adjustments may be made to the value of goodwill and or profits earned in future periods.

Carrying value of goodwill

An impairment review has been performed to confirm the appropriateness of the carrying value of goodwill. This review involves the use of estimates and judgements with regards to future profitability and cash generation, and the use of an appropriate discount rate. Should these estimates and judgements prove to be inappropriate, further adjustments may be required to the carrying value of the goodwill. The Directors note that the review shows that the goodwill can withstand reasonably high levels of downside sensitivities.

3. Turnover

Turnover is attributable to the one principal activity of the Company and all turnover is derived in the United Kingdom.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4. Operating loss

Operating loss for the year is stated after charging/(crediting):

	2021	2020
	£	£
Exchange (gains)/losses	-	-
Fees payable to the Company's auditor for the audit of the Company's financial statements	29,500	4,000
Fees payable to the Company's auditor for tax compliance services	2,600	-
(Gain)/loss on disposal of tangible fixed assets	2,038	-
Defined contribution pension cost	71,796	-
Depreciation of owned tangible fixed assets	9,354	-
Amortisation of intangible assets, including goodwill	64,691	-
Support fees	(700,000)	-
Operating lease expense	75,417	-

Support fees relate to income received from the Administrators of Mono Consultants Limited in connection with the collection of receipts owed to Mono Consultants Limited at the point the Company acquired the trade and assets.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5. Employees

The average monthly number of persons (including directors) employed by the Company during the year was:

	2021	2020
Professional	107	-
Administrative	25	-
Total	132	-

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	1,002,299	-
Social security costs	114,542	-
Pension costs	71,796	-
	1,188,637	-

6. Director's remuneration

Three directors were paid by fellow group company. The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020: 2).

7. Interest payable and similar expenses

	2021	2020
	£	£
Interest on loans from fellow group company	21,851	(1)

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8. Taxation

	2021 £	2020 £
Current tax		
UK Corporation Tax on loss for the period	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(38,115)	-
Total deferred tax	<u>(38,115)</u>	<u>-</u>
Total tax credit	<u>(38,115)</u>	<u>-</u>

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

	£	£
Loss before taxation	<u>(92,661)</u>	<u>(27,715)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(17,606)	(5,266)
Fixed asset differences	11,081	419
Expenses not deductible for tax purposes	2,003	-
Deferred tax not recognised		7,025
Deferred tax not recognised PY	(33,593)	
Change in tax rate	-	(2,178)
Taxation (credit)/charge for the year	<u>(38,115)</u>	<u>-</u>

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate to from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9. Acquisition

On 21 October 2021 the Company acquired the trade and assets of Mono Consultants Limited, a leading provider of services to the telecommunications sector. This investment provides the wider Solutions 30 Group with a larger footprint in the UK market and provides a strong footing from which to grow its presence in the coming years. The potential cost of the acquisition was £3,780,061, with £1,300,000 contingent on the achievement of certain deliverables within 12 months of the acquisition. The cost of the acquisition includes expenses of £80,061. The acquisition was paid in cash.

In calculating the goodwill arising on acquisition, the fair value of assets acquired have been assessed and adjustments from book value have been made where necessary.

	Book value	Fair value adjustment	Fair value
	£	£	£
Property, plant & equipment	65,819	(25,186)	40,633
Stock	90,105	(90,105)	-
Work in progress	1,821,352	708,935	2,530,287
Creditors assumed	<u>(402,804)</u>	<u>(1,066,795)</u>	<u>(1,469,599)</u>
Net assets acquired	1,574,472	(473,151)	1,101,321
Goodwill (note 10)	<u>2,205,589</u>	<u>(264,849)</u>	<u>1,940,740</u>
Total consideration (including expenses)	3,780,061	(738,000)	3,042,061
<i>Payable on completion</i>	2,480,061	-	2,480,061
<i>Contingent consideration</i>	1,300,000	(738,000)	562,000

An initial review of fair value identified certain adjustments to restate the book value of assets acquired. In addition, the contingent consideration payable was revised to reflect the most likely outcome based on information available. This will be reassessed prior to the anniversary of the acquisition.

The useful economic life of goodwill has been estimated to be 5 years. Included within goodwill are intangible assets that do not require separate recognition. These intangible assets relate to customer contracts and customer and supplier relationships.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10. Goodwill

	Goodwill £
Cost	
At 1 January 2021	
Additions	<u>1,940,740</u>
At 31 December 2021	<u>1,940,740</u>
Amortisation and impairment	
At 1 January 2021	-
Amortisation charged for the year	<u>64,691</u>
At 31 December 2021	<u>64,691</u>
Carrying amount	
At 31 December 2021	1,876,049
At 31 December 2020	<u><u>-</u></u>

A goodwill impairment review has been performed using approved budgets and forecasts for the 3 years to December 2024 with no further growth assumed beyond that period for the purposes of the review. A discount rate of 12% has been applied. The review shows high levels of headroom and there are no reasonably foreseeable scenarios that would result in an impairment at this stage.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11. Tangible fixed assets

	Leasehold improvements	Fixtures & fittings	Office Equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	115,020	19,720	-	134,740
Acquisitions	-	24,439	16,224	40,663
Disposals	<u>(115,020)</u>	<u>(19,720)</u>	<u>-</u>	<u>(134,740)</u>
At 31 December 2021	<u>-</u>	<u>24,439</u>	<u>16,224</u>	<u>40,663</u>
Depreciation				
At 1 January 2021	111,328	19,720	-	131,048
Depreciation charged in the year	1,654	2,921	4,779	9,354
Eliminated in respect of disposals	<u>(112,982)</u>	<u>(19,720)</u>	<u>-</u>	<u>(132,702)</u>
At 31 December 2021	<u>-</u>	<u>2,921</u>	<u>4,779</u>	<u>7,700</u>
Carrying amount				
At 31 December 2021	<u>-</u>	<u>21,518</u>	<u>11,445</u>	<u>32,963</u>
At 31 December 2020	<u>3,692</u>	<u>-</u>	<u>-</u>	<u>3,692</u>

12. Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	280,000	163,730
Amounts owed by group undertakings	155,899	-
Other debtors	974,396	-
Prepayments and accrued income	<u>5,841,159</u>	<u>11,053</u>
	7,251,454	174,783
Deferred tax asset	<u>38,115</u>	<u>-</u>
	<u>7,289,569</u>	<u>174,783</u>

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

SOLUTIONS 30 UK SERVICES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Payments received on account	644,202	-
Trade creditors	965,585	1,248
Amounts owed to group undertakings	67,632	581,830
Corporation tax	339	339
Other taxation and social security	194,427	-
Other creditors	67,861	-
Accruals	<u>887,478</u>	<u>14,937</u>
	<u><u>2,827,524</u></u>	<u><u>598,354</u></u>

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

Bank facilities are secured by a debenture with HSBC Bank plc by a fixed and floating charge over all property and assets of the Company.

14. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Amounts owed to group undertakings	<u>7,606,890</u>	<u>-</u>
	<u><u>7,606,890</u></u>	<u><u>-</u></u>

Amounts owed to group undertakings are unsecured, incur interest at Euribor plus 1.5% and are due for repayment on 21 October 2026.

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15. Deferred tax

	2021	2020
	£	£
Provision for deferred tax		
Fixed asset timing differences	2,972	-
Short term timing differences	(14,255)	-
Losses and other deductions	<u>(26,832)</u>	<u>-</u>
Total deferred tax asset	<u><u>(38,115)</u></u>	<u><u>-</u></u>
 Movement in asset:		
Asset at start of period	-	-
Deferred tax credited in the statement of comprehensive income for the period	<u>(38,115)</u>	<u>-</u>
Asset at end of period	<u><u>(38,115)</u></u>	<u><u>-</u></u>
 Deferred tax asset not recognised	-	(25,541)

SOLUTIONS 30 UK SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16. Operating lease commitments

	2021	2020
	£	£
Within one year	97,236	31,750
Between one and five years	127,000	127,000
In over five years	<u>39,688</u>	<u>71,438</u>
	<u><u>263,924</u></u>	<u><u>230,188</u></u>

17. Called up share capital

	2021	2020
	£	£
Ordinary share capital allotted, called up and fully paid		
1,325 (2020: 1,325) ordinary shares of £1 each	<u>1,325</u>	<u>1,325</u>
	<u><u>1,325</u></u>	<u><u>1,325</u></u>

18. Pension costs

A defined contribution pension scheme is operated by the Company on behalf of the employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounted to £71,796 (2020: £nil). Contributions amounting to £62,837 (2020: £nil) were payable to the fund at year end and are included in creditors.

19. Parent company

The Company's immediate parent undertaking is Convergent Holdings Limited, a company registered in England and Wales. There is no ultimate controlling party.

The Company's ultimate parent company is Solutions 30 SE, a company registered in Luxembourg. Copies of the consolidated financial statements of Solutions 30 SE are available from the company's registered office at 3 Rue De La Reine, Luxembourg, L-2418. This is the smallest group for which consolidated financial statements are prepared which include the Company.