

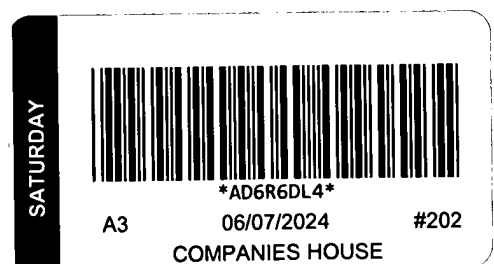
Project Ophelia Topco Limited

Annual Report and Financial Statements

Year Ended

31 December 2023

Company Number 11876365



Project Ophelia Topco Limited

Company Information

Directors	J A Argyle A J Neville N A Hale C A Richards K P Leggett
Registered number	11876365
Registered office	Floors 2 and 3 2 Stockport Exchange Railway Road Stockport Cheshire United Kingdom SK1 3GG
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Project Ophelia Topco Limited

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Project Ophelia Topco Limited

Group Strategic Report For the Year Ended 31 December 2023

The Directors of Project Ophelia Topco Limited present their Strategic Report on the affairs of the Group together with the audited financial statements for the year ended 31 December 2023.

Results

The Group's turnover for the year ended 31 December 2023 is £40,421,698 (2022 - £48,486,078). The operating loss is £13,985,030 (2022 - £8,081,598) and the loss after tax is £31,237,417 (2022 - £20,063,762).

Review of the business

The principal activity of the Group is to provide access to, and the provision of legal conveyancing services for transactional (purchases/sales) and remortgage transactions. Both services are regulated by the Solicitors Regulation Authority (SRA), which is overseen by the Legal Services Board. The Group also offers some other legal services including relating to commercial property, litigation, wills and probate.

Throughout 2023 the Group has demonstrated robust financial and operational performance despite a small reduction in conveyancing volumes driven by economic and political uncertainty in the United Kingdom, which included interest rate increases and a cost of living crisis. Overall, this has led to a decrease in turnover and an increase in operating costs. As in previous years, the large operating and loss before taxation is as a result of amortisation charged on goodwill and interest payable on borrowings. Despite this, the Group continued to focus on revenue generation from organic and platform activity and continued to work closely with our people, partners and clients to deliver market leading home moving experiences. The Group, along with many other businesses in many other sectors, was impacted by high levels of inflation throughout 2023 resulting in a higher cost base. Through robust cost control and compensating other income streams, the Group was able to partly offset the increase in costs. The Group sustained its investment in technology and people which remains a key aspect of the strategy and we continue to plan for sustained growth, operational excellence and being an employer of choice, all of which we believe will position the Group well for future growth in 2024 and beyond.

During the year, the Group underwent a refinancing exercise which resulted in £5m of senior facilities being repaid, a reduction in shareholder loans and an issuance of shares. The directors believe that the refinancing positions the Group well for the future in line with its long term strategic goals around growth and further investment. This is the significant movement in the balance sheet and with the loss for the year is the reason for the increase in net liabilities.

The cashflow shows a positive position for the group with net cash generated from operating activities and a healthy cash position which demonstrates the underlying business is strong. Significant movements relate to the financing activities which are referred to above.

The Group's loss before tax for the year was £31,099,602 (2022 - £20,151,223). The Group generated £3,955,570 from client account deposit interest (2022 - £978,626). The Group generated net cash from operating activities of £1,813,360 (2022 - 2,399,320), has net current assets at 31 December 2023 of £5,409,797 (2022 - £3,587,800), and net assets of £797,773 (2022 - net liabilities of £57,965,776). It has £3,617,009 cash as at 31 December 2023 (2022 - £3,237,562), and combined with its competitive market position, the outlook for the Group is positive.

Project Ophelia Topco Limited

Group Strategic Report (continued) For the Year Ended 31 December 2023

Key performance indicators

The Directors consider the key performance indicators during the year to be as follows;

	2023 £	2022 £
Turnover	40,421,698	48,486,078
Administrative expenses	56,330,379	60,377,704
Operating cash flow	1,813,360	2,399,320

The Directors believe measuring these key metrics will enable the continuous assessment of the effectiveness of the actions taken to achieve the Group's objectives.

Principal risks and uncertainties and financial risk management

Business and operational risk

Continued growth in profitability is dependent on the Group continuing to attract new customers and retaining existing customers, whilst improving operational efficiencies. Trading patterns in the housing market and changes in mortgage products caused by volatility in interest rates also have an impact on profitability.

The servicing of the Group's customer base requires ongoing recruitment and retention of suitably qualified staff. The Group is committed to being a first-class employer and employing high calibre employees in all areas.

The Group is confident of meeting the challenges of attracting new business due to its differentiated service proposition and enhanced level of service following continued investment in systems and infrastructure.

Cash flow and liquidity risk

The Group aims to mitigate liquidity risk by proactively managing the cash generation of its operations. The Group also manages liquidity risk through revolving credit facilities and long-term debt. The part of the Group headed by Project Ophelia Midco 2 Limited is party to a Senior Facilities Agreement ("SFA") with funds managed by Bridgepoint Credit and The Royal Bank of Scotland plc. Management considers short-term requirements against available sources of funding and taking into account forecast cash flow.

Currency risk

The Group's activities are concentrated in the United Kingdom and, as such, there is minimal exposure to the financial risks of changes in foreign currency exchange rates. The Group does not use derivative financial instruments.

Project Ophelia Topco Limited

Group Strategic Report (continued) For the Year Ended 31 December 2023

Principal risks and uncertainties and financial risk management (continued)

Credit risk

The Group's principal financial assets are bank balances, cash and trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The Group does not have a significant concentration of credit risk, with exposure spread over many customers. Credit risk is managed by only trading with volume customers who are recognised and creditworthy. Receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

Claims risk

Claims are made against the Group by customers from time to time.

The Group mitigates against this risk through regular monitoring of these claims and having appropriate insurance policies in place.

Cost inflation risk

The Directors regularly consider the impact of cost inflation to the Group, and believe that the risk is not significant. The Group is not overly exposed to energy price increases and can mitigate risks of increasing general costs through passing on fee increases or switching from lower to higher priced sources. The Group is not overly exposed to wage inflation as it performs an annual salary review to ensure its people are paid in line with the market.

Going concern

The Group manages its day-to-day working capital requirements through a combination of current accounts, revolving credit facilities and bank loans. The Group proactively manages cashflow to ensure obligations associated with external borrowings can be met. The directors have reviewed the trading and cashflow forecasts for the period to 30 September 2025 with reference to covenants on the external borrowings to ensure these can be complied with.

The trading and cashflow forecasts are considered to be prudent and have been prepared using the latest information on Group performance and expected future developments and trading. The directors have taken into account both the Group's net asset position, and also the Group's strong cash flows and profitable trading companies. Taking all these factors into account, including all reasonable uncertainties, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and in any case for a period of not less than 12 months from the date of signing these financial statements.

Future developments

The Directors expect the Group to be profitable and cash generative in the the forthcoming year. The business and its fellow group entities will continue to invest in its people, systems and infrastructure in order to deliver the best conveyancing services to our customers.

The Directors continue to focus on providing excellent customer service in the Group's core operations of conveyancing and remortgage services, whilst looking to drive growth through a strong focus on collaboration and innovation with partners and stakeholders across the industry.

Project Ophelia Topco Limited

Group Strategic Report (continued) For the Year Ended 31 December 2023

Directors' statement of compliance with duty to promote the success of the Group

In performing their duties under section 172 of the Companies Act 2016, the Directors of the Group have regard to a number of factors and stakeholder interests and remain conscious of the impact their decisions have on their stakeholders.

The Group's principal objectives are to maintain its position as the industry leader in the provision of legal conveyancing services in England and Wales and to increase the value of Project Ophelia Topco Limited by generating strong, sustainable and growing cash flows across industry and economic cycles. To achieve these objectives, the Group has the following key strategies:

- Build capacity, operational and technical excellence to facilitate and accelerate growth
- Align business development activity to growth plans
- Add capability via targeted acquisitions
- Maximise profitability using operational model advantage

The Directors believe these are critical long-term factors for the success of the Group. The Directors' decision making has supported the implementation of the strategy which aims to operate and develop the business in a way that supports both the current and future needs. The Directors strongly believe that sustainable business management and practises will contribute to long term business success and will strengthen the Group's leading position in the market. The Directors ensure that the Group has sufficient resources to support its long-term growth strategy and to fund its investments.

The Group operates in an industry characterised by strong relationships between stakeholders and therefore engagement with stakeholders and maintaining a reputation for high standards of service and business conduct is vital. Engaging stakeholders and developing meaningful partnerships is essential for business success. The Group engages in regular, open and proactive dialogue with all relevant stakeholders as this is needed to understand their perspectives, expectations, concerns and needs. In this way, the Group is able to integrate stakeholders' considerations.

The Directors consider the stakeholders of the Group to include its employees, customers, suppliers, investors, communities and the environment.

Project Ophelia Topco Limited

Group Strategic Report (continued) For the Year Ended 31 December 2023

Directors' statement of compliance with duty to promote the success of the Group (continued)

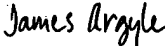
The key decisions taken by the Directors during the year, and impacts on the Group's shareholders, are as follows:

- To carry out a major rebranding exercise in autumn 2023, introducing The Movera Way which has united colleagues across the organisation, aligning values and behaviours for the benefit of employees, partners and customers.
- To provide clearer accountability and space to perform, with key changes in the leadership team including a new Chairman appointed in the spring of 2023.
- To appoint a new Chief People Officer, under whose leadership a stronger employee engagement and rewards program has been and continues to be a key priority.
- To invest further in the new training academy introduced in late 2022 with an increasing focus on attracting, retaining and developing talented people across the operations.
- In May 2023 the Directors, together with the Group's owners, Inflexion, and its lenders, managed by Bridgepoint Credit, led a refinancing exercise, ensuring the Group maintains secured funds to deliver the best quality service to customers.
- To continue the review and optimisation of the Group's operating sites, focusing on bringing employees together, contributing to a one-team culture and significantly improving the working environment. During 2023 the Group has reduced the number of its operating sites in London to one main hub at Snow Hill.

The Directors are committed to effective engagement with all of the Group's stakeholders. Depending on the nature of the issue in question, the relevance of each stakeholder group may differ and, as such, as part of their engagement with stakeholders, the Directors seek to understand the relative interests and priorities of each group and to have regard to these, as appropriate, in their decision making. However, the Directors acknowledge that not every decision they make will necessarily result in a positive outcome for all stakeholders.

The Directors regularly receive reports from management on issues concerning customers, the environment, communities, suppliers, employees, regulators, governments and investors which they take into account in their discussions and in their decision making process under section 172.

This report was approved by the board on 27/06/2024 and signed on its behalf.

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J A Argyle
Director

Project Ophelia Topco Limited

Directors' Report For the Year Ended 31 December 2023

The Directors present their report together with the audited financial statements for the year ended 31 December 2023.

Principal activity

The Group's principal activity is that of the provision of legal services. The principal activity of the Company is that of a holding company.

Results and dividends

The loss for the year, after taxation, amounted to £31,237,417 (2022 - loss £20,063,762).

The Company did not pay a dividend during the year (2022 - £Nil).

Directors

The Directors who served during the year were:

J A Argyle
S E Brown (resigned 30 November 2023)
D M Churchill (resigned 5 May 2023)
A J Neville
P A E Opperman (resigned 27 March 2023)
A J Priest (resigned 19 January 2023)
N A Hale
C A Richards (appointed 9 February 2023)
K P Leggett (appointed 25 April 2023)

Going concern

The financial statements have been prepared using the going concern basis of accounting. Further details can be found in note 2.3 of the financial statements.

Engagement with employees

The Group recognises that the success of its business is fundamentally linked to the contribution made by its employees. The Group strives to attract, motivate and retain quality employees by offering competitive salary and benefits packages, investing in employee development and training programmes and encouraging employee involvement and communication.

Research and development activities

The Group employs a dedicated research and development team which, along with colleagues in operational and customer service departments and industry partners, focuses on driving technological innovations to continually improve efficiency, quality of service and the customer experience.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Project Ophelia Topco Limited

Directors' Report (continued) For the Year Ended 31 December 2023

Engagement with suppliers, customers and others

The Group places considerable value on having strong relationships with customers and suppliers. The Group engages in regular, open and proactive dialogue with stakeholders and their opinions are considered when making operational and strategic decisions.

Qualifying third party indemnity provisions

The Group maintained qualifying third party indemnity insurance for Directors throughout the reporting period and up to the date of signing of the financial statements.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2018 require the disclosure of annual UK energy consumption and greenhouse gas emissions from SECR regulated sources. The disclosures below are in respect of the Group's operations, including those operations that are reported within subsidiary statutory undertakings that are not required to disclose information on the basis that, individually, they are considered to be 'low energy users' for the purposes of the streamlined energy and carbon reporting legislation. No disclosure is required or provided in respect of the Company, as it acts only as a holding company and does not consume energy.

	2023	2023	2022	2022
Energy Utility	kWh	tCO ₂ e	kWh	tCO ₂ e
Natural gas	334,675	61	606,510	111
Electricity	240,706	52	471,512	100
Transport fuel	31,631	8	150,731	35
Total	607,012	121	1,228,753	246
Intensity ratio (Turnover tCO₂e per £m)		3.66		5.06

Methodology

The GHG Protocol Corporate Accounting and Reporting Standard methodology has been used to compile this report. It was updated in 2015 with the Scope 2 Guidance, which allows companies to credibly measure and report emissions from purchased or acquired electricity, steam, heat, and cooling.

The Directors have focused and will continue to focus on the following areas to reduce energy consumption in the year:

- To continue to work towards being paperless and use electronic methods to communicate and store records and documents.
- To offer a hybrid working model to employees, allowing the Group to consolidate offices, and move away from older buildings with relatively poor EPC ratings to newer, more environmentally friendly buildings.

The Directors of the Group understand the importance of carbon reduction and the collective responsibility of all businesses and individuals alike to be more mindful of, and conservative in, the use of carbon generating energy sources and services. The Directors are actively reviewing ISO 14001:2015 – Environmental Management Systems to enable better reporting on energy usage and carbon emissions, and to help drive initiatives to reduce overall energy use.

Project Ophelia Topco Limited

Directors' Report (continued) For the Year Ended 31 December 2023

Matters covered in the Group Strategic Report

In accordance with section 414C(11) of the Companies Act, certain matters required to be detailed in the Directors' Report are detailed in the Group Strategic Report where the Director considers them to be of strategic importance to the Group.

Disclosure of information to auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group'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 and the Group's auditor is aware of that information.

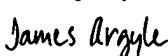
Events after the reporting period

On 2nd May 2024 the Group disposed of its entire holding in Lavatech Limited for a consideration of £3,451,000.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27/06/2024 and signed on its behalf.

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J A Argyle
Director

Project Ophelia Topco Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2023

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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Project Ophelia Topco Limited

Independent Auditor's report to the members of Project Ophelia Topco Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Project Ophelia Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2023 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies/material accounting information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Project Ophelia Topco Limited

Independent Auditor's report to the members of Project Ophelia Topco Limited (continued)

Other information

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

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.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Project Ophelia Topco Limited

Independent Auditor's report to the members of Project Ophelia Topco Limited (continued)

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.

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

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation, The Companies Act 2006 and the Solicitors Regulatory Authority (SRA) Rules.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the ones listed above.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;
- Review of correspondence with the SRA for any instance of non-compliance with laws and regulations; and
- Review of the Group's internal records to confirm compliance with the SRA accounts rules.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Project Ophelia Topco Limited

Independent Auditor's report to the members of Project Ophelia Topco Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Fraud (continued)

Based on our risk assessment, we considered the areas most susceptible to fraud to be Revenue recognition and management override.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in particular in relation to the customer claims provisions, accrued income, valuation of financial instruments and provision for bad and doubtful debts; and
- Testing a sample of revenue transactions through to completion status within a specified cut off window pre and post year end to determine if they have been recorded in the correct period.
- Testing the accrued income by verifying the estimates made by management in relation to success rates and length of completion times.


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Steven Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
27 June 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Project Ophelia Topco Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2023

	Note	2023 £	2022 £
Turnover	4	40,421,698	48,486,078
Administrative expenses		(56,330,379)	(60,377,704)
Other operating income	5	4,081,651	1,253,028
Preference share valuation		(2,158,000)	2,557,000
Operating loss	6	(13,985,030)	(8,081,598)
Share of profit of joint venture and associate		1,197,362	1,363,022
Interest receivable and similar income	10	199,537	5,965
Interest payable and similar expenses	11	(18,511,471)	(13,438,612)
Loss before taxation		(31,099,602)	(20,151,223)
Tax on loss	12	(137,815)	87,461
Loss for the financial year		(31,237,417)	(20,063,762)

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 21 to 44 form part of these financial statements.

Project Ophelia Topco Limited
Registered number:11876365

Consolidated Statement of Financial Position
As at 31 December 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	13		68,947,170		80,258,663
Tangible assets	14		2,187,625		2,510,051
Investments	15		13,165,868		13,887,484
			<u>84,300,663</u>		<u>96,656,198</u>
Current assets					
Debtors: amounts falling due within one year	16	6,596,974		9,099,637	
Cash at bank and in hand		3,617,009		3,237,562	
		<u>10,213,983</u>		<u>12,337,199</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(4,804,186)		(8,749,399)	
Net current assets			<u>5,409,797</u>		<u>3,587,800</u>
Total assets less current liabilities			<u>89,710,460</u>		<u>100,243,998</u>
Creditors: amounts falling due after more than one year	18	(87,512,706)		(156,157,959)	
Provisions for liabilities					
Other provisions	20	(1,399,981)		(2,051,815)	
Net assets/(liabilities)			<u>797,773</u>		<u>(57,965,776)</u>
Capital and reserves					
Called up share capital	21		16,759		16,486
Share premium account	22		78,589,851		1,878,167
Capital redemption reserve	22		27		27
Capital contribution reserve	22		13,289,009		-
Profit and loss account	22		(91,097,873)		(59,860,456)
Total equity/(deficit)			<u>797,773</u>		<u>(57,965,776)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27/06/2024

DocuSigned by:

James Argyle
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J A Argyle
Director

The notes on pages 21 to 44 form part of these financial statements.

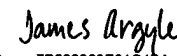
Project Ophelia Topco Limited
Registered number:11876365

Company Statement of Financial Position
As at 31 December 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Investments	15		76,711,775		1
			<u>76,711,775</u>		<u>1</u>
Current assets					
Debtors: amounts falling due after more than one year	16	561,837		508,997	
Debtors: amounts falling due within one year	16	18,326,345		2,133,621	
Cash at bank and in hand		259		734	
		<u>18,888,441</u>		<u>2,643,352</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(504,056)		(373,699)	
Net current assets			<u>18,384,385</u>		<u>2,269,653</u>
Total assets less current liabilities			<u>95,096,160</u>		<u>2,269,654</u>
Creditors: amounts falling due after more than one year	18		(23,860,026)		(2,407,993)
Net assets/(liabilities)			<u>71,236,134</u>		<u>(138,339)</u>
Capital and reserves					
Called up share capital	21		16,759		16,486
Share premium account	22		78,589,851		1,878,167
Capital redemption reserve	22		27		27
Profit and loss account brought forward		(2,033,019)		(4,750,930)	
(Loss)/profit for the year		(5,337,484)		2,718,650	
Other changes in the profit and loss account		-		(739)	
Profit and loss account carried forward			<u>(7,370,503)</u>		<u>(2,033,019)</u>
Total equity/(deficit)			<u>71,236,134</u>		<u>(138,339)</u>

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

DocuSigned by: 27/06/2024


78899323E81C4BA...
J A Argyle
Director

The notes on pages 21 to 44 form part of these financial statements.

Project Ophelia Topco Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2023

	Called up share capital £	Share premium account £	Capital redemption reserve £	Capital contribution reserve £	Profit and loss account £	Total deficit/ (equity) £
At 1 January 2023	16,486	1,878,167	27	-	(59,860,456)	(57,965,776)
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(31,237,417)	(31,237,417)
Total comprehensive loss for the year	-	-	-	-	(31,237,417)	(31,237,417)
Contributions by and distributions to owners						
Shares issued during the year	273	76,711,684	-	-	-	76,711,957
Waiver of loan note interest	-	-	-	13,289,009	-	13,289,009
Total transactions with owners	273	76,711,684	-	13,289,009	-	90,000,966
At 31 December 2023	16,759	78,589,851	27	13,289,009	(91,097,873)	797,773

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2022

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total deficit £
At 1 January 2022	16,273	1,878,167	23	(39,795,955)	(37,901,492)
Comprehensive loss for the year					
Loss for the year	-	-	-	(20,063,762)	(20,063,762)
Total comprehensive loss for the year	-	-	-	(20,063,762)	(20,063,762)
Contributions by and distributions to owners					
Shares issued during the year	217	-	-	-	217
Purchase of own shares	(4)	-	4	(739)	(739)
Total transactions with owners	213	-	4	(739)	(522)
At 31 December 2022	16,486	1,878,167	27	(59,860,456)	(57,965,776)

The notes on pages 21 to 44 form part of these financial statements.

Project Ophelia Topco Limited

Company Statement of Changes in Equity For the Year Ended 31 December 2023

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total (deficit)/ equity
	£	£	£	£	£
At 1 January 2023	16,486	1,878,167	27	(2,033,019)	(138,339)
Comprehensive income for the year					
Loss for the year	-	-	-	(5,337,484)	(5,337,484)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,337,484)</u>	<u>(5,337,484)</u>
Contributions by and distributions to owners					
Shares issued during the year	273	76,711,684	-	-	76,711,957
Total transactions with owners	<u>273</u>	<u>76,711,684</u>	<u>-</u>	<u>-</u>	<u>76,711,957</u>
At 31 December 2023	<u><u>16,759</u></u>	<u><u>78,589,851</u></u>	<u><u>27</u></u>	<u><u>(7,370,503)</u></u>	<u><u>71,236,134</u></u>

Company Statement of Changes in Equity For the Year Ended 31 December 2022

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total deficit
	£	£	£	£	£
At 1 January 2022	16,273	1,878,167	23	(4,750,930)	(2,856,467)
Comprehensive income for the year					
Profit for the year	-	-	-	2,718,650	2,718,650
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,718,650</u>	<u>2,718,650</u>
Contributions by and distributions to owners					
Shares issued during the year	217	-	-	-	217
Purchase of own shares	(4)	-	4	(739)	(739)
Total transactions with owners	<u>213</u>	<u>-</u>	<u>4</u>	<u>(739)</u>	<u>(522)</u>
At 31 December 2022	<u><u>16,486</u></u>	<u><u>1,878,167</u></u>	<u><u>27</u></u>	<u><u>(2,033,019)</u></u>	<u><u>(138,339)</u></u>

The notes on pages 21 to 44 form part of these financial statements.

Project Ophelia Topco Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Loss for the financial year	(31,237,417)	(20,063,762)
Adjustments for:		
Amortisation of intangible assets	11,761,190	11,664,878
Depreciation of tangible assets	493,975	574,019
Research and development claim credit	(126,081)	(274,402)
Profit on disposal of tangible assets	-	(15,733)
Interest payable and similar expenses	18,511,471	13,438,612
Interest receivable and similar income	(199,537)	(5,965)
Taxation charge/(credit)	137,815	(87,461)
Decrease in debtors	1,595,663	58,782
(Decrease)/increase in creditors	(1,441,083)	29,992
Effect of discounting of deferred consideration	18,261	111,812
Preference share valuation expense/(credit)	2,158,000	(2,557,000)
Capitalisation of development costs	(449,699)	(115,977)
Share of operating profit in associates and joint ventures	(178,384)	(344,044)
Corporation tax received/(paid)	769,186	(14,431)
Net cash generated from operating activities	1,813,360	2,399,320
Cash flows from investing activities		
Purchase of tangible fixed assets	(171,549)	(310,566)
Sale of tangible fixed assets	-	790,000
Payment of deferred consideration	(1,616,296)	-
Interest received	199,537	5,965
Dividends received	900,000	750,000
Net cash (used in)/generated from investing activities	(688,308)	1,235,399

Project Ophelia Topco Limited

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 December 2023

	2023	2022
	£	£
Cash flows from financing activities		
Issue of ordinary shares	182	217
Repurchase of ordinary shares	-	(739)
Repurchase of preference shares	-	(7)
New loans	15,000,000	3,000,000
Repayment of loans	(8,000,000)	(272,389)
Interest paid	(7,745,787)	(5,875,461)
Net cash used in financing activities	(745,605)	(3,148,379)
Net increase in cash and cash equivalents	379,447	486,340
Cash and cash equivalents at beginning of year	3,237,562	2,751,222
Cash and cash equivalents at the end of year	3,617,009	3,237,562
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,617,009	3,237,562

The notes on pages 21 to 44 form part of these financial statements.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

1. General information

Project Ophelia Topco Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page and the nature of the Company's operations and its principal activity is set out in the Directors' 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 presentation currency is pounds sterling and amounts presented in these financial statements are rounded to the nearest pound.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The parent Company has taken advantage of the following disclosure exemptions permitted by FRS 102:

- 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 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29 (b) and 12.29A.
- the requirements of paragraph 33.7 in relation to the compensation of key management personnel.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.3 Going concern

The Group's business activities, together with the principal risks and uncertainties likely to affect its future growth and performance, are set out in the strategic report on pages 1 to 5. The strategic report describes the financial performance of the Group, its cashflows, liquidity position and other financial and operational risks.

The Group manages its day-to-day working capital requirements through a combination of current accounts, revolving credit facilities and bank loans. The Group proactively manages cashflow to ensure obligations associated with external borrowings can be met. The directors have reviewed the trading and cashflow forecasts for the period to 30 September 2025 with reference to covenants on the external borrowings to ensure these can be complied with.

The trading and cashflow forecasts are considered to be prudent and have been prepared using the latest information on Group performance and expected future developments and trading. The directors have taken into account both the Group's asset position, and also the Group's strong cash flows and profitable trading companies. Taking all these factors into account, including all reasonable uncertainties, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and in any case for a period of not less than 12 months from the date of signing these financial statements.

2.4 Turnover

Turnover represents amounts chargeable to clients for professional services provided during the period, inclusive of direct expenses incurred on client assignments but excluding costs incurred on behalf of the client and recharged to them and value added tax.

Turnover is recognised on performance of all activities necessary to ensure a continuing right to receive income has been achieved.

Unbilled revenue is included in debtors as 'Amounts due on contracts not yet billed'. Amounts billed on account in excess of the amounts recognised as revenue are included in creditors.

Turnover relates to the provision of services within the United Kingdom and is delivered from the Group's principle activity, being the provision of legal services.

Amounts due on contracts not yet billed

Amounts due on contracts not yet billed represents the amount of income in relation to a matter that is considered recoverable at the period end and is valued at estimated amounts in excess of fees already rendered on account based on a likelihood of success.

2.5 Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

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

2.7 Interest on client monies

Any interest earned on the funds the Group holds on behalf of its clients is recognised as other operating income.

2.8 Interest income

Interest income earned on the Group's own funds is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.9 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.

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 10 years.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.11 Intangible assets (continued)

Development expenditure

Development expenditure relates to internal costs that are directly attributable to the development of software utilised within the business. Development expenditure is amortised over a period of 3 years.

Development costs that are directly attributable to the development of software are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during the development can be reliably measured.

Research expenditure and other development expenditure that do not meet the criteria are recognised as an expense as incurred.

If it is not possible to distinguish between the research and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is included within 'administrative expenses' in the Statement of Comprehensive Income

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Expenditure on leased property	- Over the life of the lease
Plant and machinery	- 20% to 25% straight line
Office equipment	- 15% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

In common with comparable practices, the Group is involved in a number of disputes in the ordinary course of business which may give rise to claims. Provision is made in the financial statements for all claims where costs are likely to be incurred and represents the cost of defending and concluding claims. The Group carries professional indemnity insurance and no separate disclosure is made of the cost of claims covered by insurances as to do so could seriously prejudice the position of the Group.

The Group is party to a number of property contracts. Where the property is vacant, the Directors make a provision where the unavoidable costs under the lease exceed the economic benefit expected to be derived from the sub-letting arrangements.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.19 Financial instruments

The Group has elected to apply the provision of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and other debtors

Trade debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

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.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Preference shares classified as liabilities are measured at fair value through profit or loss.

Trade and other creditors

Trade creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amount settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

Customer claims provisions

Claims are made against the Group from customers from time to time. The Directors regularly review these claims and assess the risk of settlement. Provisions are made where the assessed cost of settlement is not recoverable under the Group's insurance policies.

Bad debt provisions

The recoverable amount of trade receivables is considered on a regular basis as there is a risk that some of the balances may be irrecoverable. Debts are assessed and provided against when the recoverability of these balances is considered to be uncertain.

Amounts due under contracts not yet billed

Due to the nature of the business, the Group maintains details of client engagements, including the status and outcome of the engagement, fees billed and the duration between opening and completion. Reports are generated on a regular basis enabling management to assess the likelihood and amount of recoverability, based on these criteria, and to make adjustments as appropriate.

Fair value of preference shares

The Company issued preference shares during a prior year. These shares include a contractual obligation on the Company to deliver cash on an exit event to the preference shareholders. In assessing the fair value at 31 December 2023, the Directors used the Monte Carlo Simulation (MCS) approach, a variation of the Black-Scholes option pricing method (BSOPM), which the Directors consider to be an appropriate methodology.

Onerous lease provisions

In calculating the amount of provision required in respect of onerous property contracts, the Directors exercise judgement in assessing the likelihood and extent of economic benefit expected to be derived from sub-letting arrangements.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

All turnover arose within the United Kingdom.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

5. Other operating income

	2023	2022
	£	£
Research and development expenditure claim	126,081	274,402
Net interest receivable on client accounts	3,955,570	978,626
	4,081,651	1,253,028
	4,081,651	1,253,028

6. Operating loss

The operating loss is stated after charging:

	2023	2022
	£	£
Operating lease rentals	704,707	750,174
Depreciation of owned assets	493,975	574,019
Amortisation	11,761,190	11,664,878
	11,761,190	11,664,878
	11,761,190	11,664,878

7. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Group's auditor and its associates in respect of:		
- The audit of the Group's financial statements	113,000	105,500
- All other services	56,320	50,000
	169,320	155,500
	169,320	155,500

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

8. Employees

	Group 2023 £	Group 2022 £
Wages and salaries	19,433,708	20,951,239
Social security costs	2,005,702	2,253,300
Cost of defined contribution scheme	393,038	433,615
	21,832,448	23,638,154

The average monthly number of employees, including the Directors, during the year was as follows:

	2023 No.	2022 No.
Key management	11	14
Support functions	93	90
Operations	457	540
	561	644

The Company has one (2022 - one) employee who was a Director during the year. The remaining Directors were employed and remunerated by another group company in both the current and prior year.

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	619,302	918,335
Group contributions to defined contribution pension schemes	3,458	3,860
	622,760	922,195

During the year retirement benefits were accruing to 4 Directors (2022 - 5) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £312,000 (2022 - £372,534).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £1,321 (2022 - £1,431).

In addition to Directors, remuneration in respect of other key management personnel was £1,682,350 (2022 - £1,134,673).

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

10. Interest receivable and similar income

	2023 £	2022 £
Bank interest receivable	188,420	5,965
Other interest receivable	11,117	-
	199,537	5,965

11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	9,848,917	5,571,714
Bank charges	462,052	410,243
Amortisation of borrowing costs	1,299,656	521,812
Other interest payable	6,900,846	6,934,843
	18,511,471	13,438,612

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on loss for the year	169,089	20,156
Adjustments in respect of previous periods	(31,274)	(107,617)
	137,815	(87,461)

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

12. Taxation (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Loss before tax	(31,099,602)	(20,151,223)
Loss multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	(7,316,263)	(3,828,732)
Effects of:		
Expenses not deductible for tax purposes	5,128,402	3,604,072
Non-taxable income	(263,699)	(747,758)
Adjustments to tax charge in respect of prior periods	(31,274)	(107,617)
Tax rate changes	443	(3,733)
Deferred tax not recognised	2,339,163	996,307
Partnership profits	281,043	-
Total tax charge/(credit) for the year	137,815	(87,461)

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

The UK corporation tax rate was raised from 19% to 25% with effect from 1 April 2023. The effective corporation tax rate of 23.52% comprises a rate of 19% for the period prior to 1 April 2023 and of 25% after that date.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

13. Intangible assets

Group

	Development expenditure £	Goodwill £	Total £
Cost			
At 1 January 2023	275,267	115,722,170	115,997,437
Additions	449,697	-	449,697
At 31 December 2023	724,964	115,722,170	116,447,134
Amortisation			
At 1 January 2023	106,061	35,632,713	35,738,774
Charge for the year	169,797	11,591,393	11,761,190
At 31 December 2023	275,858	47,224,106	47,499,964
Net book value			
At 31 December 2023	449,106	68,498,064	68,947,170
At 31 December 2022	169,206	80,089,457	80,258,663

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

14. Tangible fixed assets

Group

	Freehold property £	Expenditure on leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2023	757,455	1,600,429	140,784	68,076	1,483,755	4,050,499
Additions	-	25,343	14,088	-	132,118	171,549
Disposals	-	(279,446)	-	-	-	(279,446)
At 31 December 2023	<u>757,455</u>	<u>1,346,326</u>	<u>154,872</u>	<u>68,076</u>	<u>1,615,873</u>	<u>3,942,602</u>
Depreciation						
At 1 January 2023	31,530	322,413	93,346	68,076	1,025,083	1,540,448
Charge for the year	19,321	144,262	20,682	-	309,710	493,975
Disposals	-	(279,446)	-	-	-	(279,446)
At 31 December 2023	<u>50,851</u>	<u>187,229</u>	<u>114,028</u>	<u>68,076</u>	<u>1,334,793</u>	<u>1,754,977</u>
Net book value						
At 31 December 2023	<u>706,604</u>	<u>1,159,097</u>	<u>40,844</u>	<u>-</u>	<u>281,080</u>	<u>2,187,625</u>
At 31 December 2022	<u>725,925</u>	<u>1,278,016</u>	<u>47,438</u>	<u>-</u>	<u>458,672</u>	<u>2,510,051</u>

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

15. Fixed asset investments

Group

	Investments in associates £	Investment in joint ventures £	Total £
Cost and net book value			
At 1 January 2023	1,240,405	12,647,079	13,887,484
Dividends received	-	(900,000)	(900,000)
Share of profit	60,713	117,671	178,384
At 31 December 2023	1,301,118	11,864,750	13,165,868

Company

	Investments in subsidiary companies £
Cost and net book value	
At 1 January 2023	1
Additions	76,711,774
At 31 December 2023	76,711,775

During the year the Group carried out a refinancing exercise. As part of this exercise, Project Ophelia Topco Limited ('Topco') acquired 767,119 ordinary shares of £1 each in its subsidiary, Project Ophelia Midco 1 Limited ('Midco 1'), in consideration for Topco releasing and discharging Midco 1 from its obligations in respect of an intercompany balance of £76,711,774 owed by Midco 1 to Topco. Accordingly, Topco's investment in Midco 1 was increased by that amount.

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Project Ophelia Midco 1 Limited	Floors 2 And 3, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG	Ordinary	100%

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

15. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Project Ophelia Midco 2 Limited	Floors 2 And 3, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG	Ordinary	100%
Project Ophelia Bidco Limited	Floors 2 And 3, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG	Ordinary	100%
Grindeys Legal Limited	24 - 28 Glebe Court, Stoke-On-Trent, Staffordshire, England, ST4 1ET	Ordinary	100%
Grindeys LLP	Glebe Court, Stoke-On-Trent, Staffordshire, ST4 1ET	Ordinary	100%
O'Neill Patient Limited	Floors 2 And 3, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG	Ordinary	100%
O'Neill Patient Solicitors LLP	Floors 2 And 3, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG	Ordinary	100%
Cavendish Legal Group Limited	Floors 2 And 3, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG	Ordinary	100%
Conveyancing Alliance Limited	Floors 2 And 3, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG	Ordinary	100%
Conveyancing Alliance Holdings Limited	Floors 2 And 3, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG	Ordinary	100%
Onpoint Conveyancing Limited	Floors 2 And 3, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG	Ordinary	100%
ONP EBT Limited	Floors 2 And 3, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG	Ordinary	100%

All subsidiary undertakings were held 100% by the Company in both the current and prior year except ONP EBT Limited, which was incorporated in the prior year.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

15. Fixed asset investments (continued)

Associate

The following was an associate of the Group:

Name	Registered office	Class of shares	Holding
Lavatech Limited	C/O Simpson Burgess Nash Empress Business Centre, 380 Chester Road, Manchester, England, M16 9EA	Ordinary	27.5%

On 2nd May 2024 the Group disposed of its entire holding in Lavatech Limited for a consideration of £3,451,000.

Joint venture

The following was a joint venture of the Group:

Name	Registered office	Class of shares	Holding
Cybele Solutions Holdings Ltd	Bickerton House, Lloyd Drive, Limited Ellesmere Port, CH65 9HQ	Ordinary	49.6%

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

16. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due after more than one year				
Amounts owed by group undertakings	-	-	561,837	508,997
Due within one year				
Trade debtors	1,403,674	1,718,869	-	-
Amounts owed by group undertakings	-	-	18,243,122	2,055,176
Other debtors	252,847	169,879	83,223	78,445
Prepayments	1,415,533	1,726,853	-	-
Amounts due on contracts not yet billed	3,524,920	4,577,036	-	-
Corporation tax recoverable	-	907,000	-	-
	6,596,974	9,099,637	18,326,345	2,133,621

Amounts owed by group undertakings accrue interest at 10%. Of the amounts owed by group undertakings, £5,306,200 is repayable on demand (2022 - £2,055,176). In the prior year a further £508,997 was repayable in July 2024.

The Group recognised a charge of £488,227 in respect of bad and doubtful debts in the Consolidated Statement of Comprehensive Income in the year (2022 - £322,452).

17. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	-	3,029,882	-	-
Trade creditors	1,272,514	1,452,867	-	-
Amounts owed to group undertakings	-	-	472,547	357,194
Other taxation and social security	1,211,252	2,822,053	-	-
Other creditors	81,054	3,065	509	509
Accruals and deferred income	2,239,366	1,441,532	31,000	15,996
	4,804,186	8,749,399	504,056	373,699

Amounts owed to group undertakings accrue interest at between 0% and 10%, not compounded, and are repayable on demand.

Bank loans in the prior year were repayable on demand and accrued interest to 3% plus SONIA.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	63,652,680	65,270,167	-	-
Shareholder loans	19,294,033	86,913,629	19,294,033	-
Accruals and deferred income	-	1,566,170	-	-
Share capital treated as debt	160	160	160	160
Share premium treated as debt	4,565,833	2,407,833	4,565,833	2,407,833
	<u>87,512,706</u>	<u>156,157,959</u>	<u>23,860,026</u>	<u>2,407,993</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 21.

Bank loans are repayable in November 2026 and accrue interest at between 5.75% and 12.3%, plus SONIA. Bank loans are stated net of unamortised borrowing costs of £1,287,512 (2022 - £1,568,232) and include accrued interest charges of £1,848,196 (2022 - £1,174,649).

Shareholder loans are stated net of unamortised borrowing costs of £nil (2022 - £865,974) and include accrued interest charges of £4,294,033 (2022 - £11,067,829).

Shareholder loans comprise loan notes issued by the Group.

In May 2023, as part of a refinancing exercise, all existing shareholder loans were acquired by the Company and then settled in full. The Company then issued £15,000,000 of 'R' loan notes, which accrue interest at 10% compounded quarterly and are redeemable as at the earlier of:

- 10 years from issue;
- the date upon which a sale or listing occurs; and
- the date of a disposal.

The conditions of the 'R' loan notes include a requirement that, on redemption, the Company will pay a premium in addition to the principal, such that the combined accrued interest and premium totals £31,600,000.

As at 31 December 2023, the Directors have assessed the likelihood and timing of the redemption scenarios in measuring the amortised cost of the notes. This has resulted in an additional interest charge of £3,264,786 over and above that charged at 10%.

Preference share capital is stated at fair value. The shares each have a nominal value of £0.000001 and are redeemable only on an exit event at £0.01 per share. Dividends are payable at 10% compounded, payable on exit. Both the redeemable shares and dividend are payable to the extent that there are sufficient exit proceeds after bank and shareholder loans are fully repaid. In assessing the fair value at 31 December 2023, the Directors used the Monte Carlo Simulation (MCS) approach, a variation of the Black-Scholes option pricing method (BSOPM), which the Directors consider to be an appropriate methodology. The MCS makes use of formulae that underpin the BSOPM but also considers factors such as the impact of the capital structure in deriving a value for the shares.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

19. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Amounts falling due within one year				
Bank loans	-	3,029,882	-	-
Amounts falling due 2-5 years				
Bank loans	63,652,680	65,270,167	-	-
Amounts falling due after more than 5 years				
Shareholder loans	19,294,033	86,913,629	19,294,033	-
	<u>82,946,713</u>	<u>155,213,678</u>	<u>19,294,033</u>	<u>-</u>

20. Provisions

Group

	Insurance provisions £	Onerous lease provisions £	Total £
At 1 January 2023	1,479,041	572,774	2,051,815
Utilised in the year	(122,539)	(529,295)	(651,834)
At 31 December 2023	<u>1,356,502</u>	<u>43,479</u>	<u>1,399,981</u>

Provisions are made for excesses payable in relation to customer claims made under the professional indemnity insurance policy.

The Group is party to property contracts. Provision has been made against those leases where the property is now vacant and the unavoidable costs under the lease exceed the economic benefit expected to be derived from the potential sub-letting arrangements.

Outflows of economic benefits in respect of onerous lease provisions are expected to end within 1 year. In respect of insurance provisions the expected timing is less certain, however experience indicates that the outflows will, in the main, occur over the next 4 years.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

21. Share capital

	2023 £	2022 £
Shares classified as equity		
1,031,500 (2022 - 1,031,500) A Ordinary shares of £0.01 each	10,315	10,315
172,257 (2022 - 179,984) B Ordinary shares of £0.01 each	1,723	1,800
130,229 (2022 - 132,047) C1 Ordinary shares of £0.01 each	1,302	1,320
198,877 (2022 - 160,400) C2 Ordinary shares of £0.01 each	1,989	1,604
133,984 (2022 - 144,664) D Ordinary shares of £0.01 each	1,340	1,447
9,024 (2022 - nil) S Ordinary shares of £0.01 each	90	-
	16,759	16,486
	16,759	16,486
Shares classified as debt		
Allotted, called up and fully paid		
1,602,855,848 (2022 - 1,602,855,848) Preference shares of £0.0000001 each	160	160
	160	160
	160	160

On 4 May 2023 the Company allotted and issued 9,024 S Ordinary shares of £0.01 with an aggregate nominal value of £90.24. The S Ordinary shares were issued as part of a refinancing exercise, as consideration for the purchase of loan notes amounting to £76,711,774. The excess of the consideration over the nominal value of the shares issued was recorded as share premium.

On 24 Oct 2023 the Company allotted and issued 18,252 C2 Ordinary shares of £0.01 with an aggregate nominal value of £182.52 at par.

On 24 Oct 2023 the Company redesignated the following shares:

- 7,727 B ordinary shares of £0.01 to 7,727 C2 ordinary shares of £0.01
- 1,818 C1 ordinary shares of £0.01 to 1,818 C2 ordinary shares of £0.01
- 10,680 D ordinary shares of £0.01 to 10,680 C2 ordinary shares of £0.01

All classes of shares have equal rights to dividends and rights on winding up. No class of shares confer any rights of redemption.

A Ordinary, B Ordinary and D Ordinary shares carry voting rights in proportion to the number of shares held. C1 Ordinary and C2 Ordinary shares carry no voting rights.

Preference shares carry no voting rights but are entitled to 10% cash dividends per annum.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

22. Reserves

The Group's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of shares issued.

Share premium account

The share premium accounts represents the premium on issue of equity shares, net of any issue costs.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased by the Company and cancelled.

Capital contribution reserve

The capital contribution reserve represents amounts waived on loan note interest.

Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

23. Analysis of net debt

	At 1 January 2023 £	Cash flows £	Other non- cash changes £	At 31 December 2023 £
Cash at bank and in hand	3,237,562	379,447	-	3,617,009
Debt due within one year	(3,029,882)	3,000,000	29,882	-
Debt due after one year	(152,183,796)	(10,000,000)	79,237,083	(82,946,713)
	<u>(151,976,116)</u>	<u>(6,620,553)</u>	<u>79,266,965</u>	<u>(79,329,704)</u>

24. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £393,038 (2022 - £433,615). Contributions totalling £27,741 (2022 - £3,065) were payable to the fund at the reporting date and are included in creditors.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

25. Commitments under operating leases

At 31 December 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	709,660	761,826
Later than 1 year and not later than 5 years	1,730,667	2,067,022
Later than 5 years	1,098,176	1,497,511
	3,538,503	4,326,359

26. Related party transactions

The Group and the Company have taken advantage of the exemption available in section 33.1A of FRS 102 whereby any transactions with the ultimate parent company or any wholly owned subsidiary of the Group are not disclosed.

Cybele Solutions Holdings Limited and Lavatech Limited are related parties by virtue of the shareholding the Group has in each.

The following transactions were undertaken during the year:

	2023 £	2022 £
Joint ventures		
Sales to joint ventures	2,669,884	1,704,033
Purchases from joint ventures	1,033,372	968,486
Receivable from joint ventures	102,067	227,193
Payable to joint ventures	115,127	114,106
	2,920,450	3,013,818

Joint ventures include Cybele Solutions Holdings Limited.

	2023 £	2022 £
Purchases from associates	733,412	671,001
	733,412	671,001

Associates include Lavatech Limited.

27. Events after the reporting period

On 2nd May 2024 the Group disposed of its entire holding in Lavatech Limited for a consideration of £3,451,000.

Project Ophelia Topco Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Controlling party

The ultimate controlling party is Inflexion Buyout V Investments LP by virtue of their majority shareholding in the Company.