

Newable Partnership Limited

Annual Report and Financial Statements

Period Ended 31 March 2023

Newable

A decorative graphic on the right side of the page consisting of several blue cubes of varying sizes, some of which are stacked or arranged in a way that creates a sense of depth and perspective. The cubes are rendered with white outlines and are set against a dark blue background.

Country of incorporation of parent Company
England and Wales

Directors
P G Collis CB
J W Hopkins
M Karim
A G MacLennan (Chair)
C J Manson
Cllr G Nicholson
V A Sharp
R C Thompson
M B Walsh
A M Watts CBE
M B Whitefield

Secretary and registered office
M B Walsh
140 Aldersgate Street
London
EC1A 4HY

Company number
14356119

Auditors
CLA Evelyn Partners Limited
45 Gresham Street
London
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Strategic Report

The Directors present the Group's strategic report for the period ended 31 March 2023

1. Introduction

We are pleased to introduce you to this, Newable Partnership Limited's first Annual Report and Financial Statements.

Newable Partnership Limited is an employee-owned company, limited by share capital, which was established on 14 September 2022, for the sole purpose of acquiring the subsidiaries and underlying businesses of Newable Limited via the acquisition of Newable UK Holdings Limited. This transaction completed on 31 January 2023. As a result of this transaction, Newable (Newable Partnership Limited and its subsidiaries) is now owned by its senior management and staff, which is a powerful statement of intent and of employee empowerment.

Newable's purpose continues, through the change in ownership, to make sustainable profits by helping other companies working to thrive. We achieve this by delivering Money, Advice and Workspace to business.

Due to the acquisition taking place on 31 January 2023, the audited consolidated financial statements included with the Annual Report report only on the results of Newable for the 2-month period to 31 March 2023 and the period end.

The Annual Report and Financial Statements also include a pro forma profit & loss account for the 12 months to 31 March 2023 so as to provide a full year picture of Newable's activities (see note 1 on page 45). The Business and Strategic Review below also reviews Newable's business activities over the same 12-month period and details the performance and achievements of each of its core activities.

2. Business and Strategic Review

The 2023 financial year ("FY23") saw Newable continue its strategy of expanding its range of products and services through organic growth and the targeted acquisition of new products and businesses. This was against a difficult economic backdrop due to the continuing period of recovery from Covid 19, the impact of the war in Ukraine, with rising inflation and interest rates, and against the background of low or no economic growth in the United Kingdom.

Against this difficult background, Newable did make significant progress on a number of fronts:

- Our Newable Capital business expanded its portfolio of companies with one acquisition during the year, CMS Holdings UK Limited ("CMS"), a North East based business, but working across the UK specialising in the installation and maintenance of utility and energy systems for large companies and commercial facilities.
- Our Advice business winning new contracts from the public sector, helping to offset the end of our international trade contracts with the Department of International Trade, including the Help to Grow contract from BEIS (the Department for Business, Energy & Industrial Strategy), the contract win for the Start Up Loans Company and increased funding from Innovate UK.
- After resuming lending to small and medium sized enterprises ("SMEs") in late 2022, the strong growth in loan financing for smaller businesses via Newable's accreditation with UK Export Finance, the Government's Recovery Loan Scheme and the recently launched short term bridging product.
- The very strong growth experienced by our flexible office business, NewFlex, adding over 20 offices to its network of offices operating across the United Kingdom.

Looking at each of Newable’s businesses:

Advice

Our Advice business has a track record of over 20 years in delivering innovation, growth and other services to small and medium sized businesses with clients including:

- The Department for Business and Trade
- The Welsh Government
- The Greater London Authority
- Innovate UK
- The Department of International Trade
- Start Up Loans Company
- JP Morgan Chase Foundation
- Lancashire County Council

and generated gross revenues of £3.1 million in the period (FY23 £17.9 million; FY22: £16.8 million) and supported some 1,600 SMEs during the period (FY23: 9,800).

The Advice business has had an outstanding record throughout its history of delivering on the performance targets of its clients across its contracts and, as a result, of winning re-tenders of key contracts. Despite this, and due to a decision across all its export service contracts, operating across the United Kingdom, the Department of International Trade decided to take inhouse its export advisory services which supported SMEs in their export efforts with its last contract with Newable ending in June 2022.

However, the Advice business has responded well and has won major additional contracts and funding from Innovate UK, from the Department of Business Energy & Industrial Strategy (BEIS) and from the Start Up Loans Company in addition to a number of smaller contract wins.

Advice also operates a number of Social Impact programmes which continued to make an important difference through such activity as our inclusive supply chain initiative delivered on behalf of JP Morgan Chase Foundation.

Finally, Advice’s Events business continued to perform strongly through the year and benefited from leveraging its own Events space – the Insurance Hall in the City of London.

Workspace

Our Workspace business offers an integrated broking and managed services office product comprising:

NewFlex

- Provides a Managed Service, operating sites on behalf of landlord clients alongside its own leasehold centres.
- NewFlex’s focus is increasingly on its Managed Service model which generates monthly management fees with no lease commitments.
- This is combined with a multi brand strategy enabling differentiation from premium to challenging sites.

Officio

- Our office broking operation which brokers agreements to place SMEs in flexible offices both for NewFlex and for third party customers.

The acquisition of NewFlex (formerly Citibase) in November 2018 and then Officio in 2020, was driven by the analysis that the market for flexible offices would grow rapidly. In our view, the long-term leases offered by the commercial office market do not offer the flexibility required by agile and fast-growing businesses. This has been reinforced by the changes to the office market and demand for office space, as a result of Covid 19 and the lockdowns imposed by the Government. This has clearly been a catalyst for accelerating the move away from long term office leases towards short term flexible office space – exactly where NewFlex and Officio operate, and which should benefit our business in future years.

Despite this trend, the 2022 financial year had been challenging for the business as the demand for office space gradually recovered from the impact of the lockdowns. However, the 2023 financial year has seen a strong recovery in demand from clients and customers. The number of offices in the NewFlex network has increased and now exceeds 50 offices in total. In addition, the number of workstations has increased from 10,500 at end March 2022 to some 16,500 by end March 2023. As a result, revenues of £5.3 million were generated in the period (FY23: £28.3 million; FY22: £20.5 million). This momentum is continuing into the 2024 financial year.

Money

Newable’s Money business comprises two divisions – Finance and Equities. Taking each in turn.

Finance

Our Finance business comprises:

- Lending – Newable Business Finance Limited
- Broking – securing loans for our clients, with a focus on mortgages, working capital finance and asset finance
- Vehicle leasing - Synergy Automotive Limited

Newable Business Finance was very badly affected by lockdowns during the period 2020 to 2022, largely as a result of the Government’s various emergency loan schemes to smaller businesses, which cut across and destroyed the SME unsecured business finance market in which Newable Business Finance operated. As a result, lending operations ceased during 2021 and the business focused on managing the existing loan book and supporting its existing SME borrowers through the pandemic and recession.

However, in late financial year 2022, lending to SMEs restarted following Newable’s accreditation under the UK Export Finance scheme and the Government’s Recovery Loan Scheme (‘RLS’) and more recently the launch of Newable’s short term bridging product. Since this relaunch, we have seen strong demand for loan products from SMEs with the loan book at £8.8 million at 31 March 2023.

Partially in response to the impact of the pandemic on Newable’s lending business, but also as part of our continuing plans to develop products and services in this area, Newable launched in 2021 its broking business. This is a sector where significant revenues can be generated through matching borrowers and lenders without taking on balance sheet risk.

Operating from London and Bournemouth, the business achieved £13.2 million of loan funding for clients in the period (FY23: £103.6 million; FY22: £94.0 million) and the business is now moving into profitability.

Synergy, Newable's vehicle leasing broking business operates across SMEs including small fleet, consumer (company car allowance) and retail consumers (including sole traders / mixed use) sectors.

Synergy saw a very strong recovery in demand for vehicles in FY22, from the previous financial year, as the vehicle market recovered from the impact of the pandemic and lockdowns. Synergy benefited strongly from its focus on online operations for winning new business, as customers, in a reaction to the pandemic, moved away from the traditional approach of visiting car showrooms. Following the lockdowns, the business had been held back by the supply problems that were experienced by all car manufacturers, but this issue eased significantly in FY23. As a result, Synergy posted strong revenue growth in the period with revenues of £0.9 million (FY23: £4.9 million; FY22: £4.0 million).

Equities

Newable's Capital business continued to perform strongly during FY23. Newable Capital focuses on acquiring a controlling share in established and profitable SMEs with a proven business model and funding the next phase of growth, and typically with EBITDA of c.£2.0 million. This is a market that has been largely neglected by the venture capital sector. Acquisitions in this area provide potential for material capital returns and the ability to consolidate the results of the acquired businesses into Newable's financial results.

Newable Capital's portfolio now comprises six companies across the United Kingdom, following one acquisition during the financial year – CMS, a North East based business, but working across Britain and specialising in the installation and maintenance of utility and energy systems for large companies and commercial facilities.

Overall, the portfolio performed extremely well during the period with total revenues being reported of £19.1 million (FY23: £101.0 million; FY22: £62.0 million) and strong EBITDA performance, reflecting the full year contribution of acquisitions made during FY22, the acquisition of CMS during the year and strong operating performances across the portfolio.

In addition to Newable Capital, Newable has provided equity investment through Newable Ventures Limited ("NVL") a leading early-stage Investor focusing on UK based early stage emerging technology / knowledge intensive based businesses. This business is under review.

3. Principal Risk and Uncertainties

The principal risks and uncertainties facing Newable are discussed extensively in this Annual Report. The Board's assessment is that the following uncertainties are currently being faced by Newable:

- The performance of the UK economy with high inflation potentially becoming embedded, together with low growth and low productivity
- The extent of rising interest rates (Note 30 to the financial statements shows the impact of interest rate movements on Group profitability)
- The availability of equity finance and rising cost of debt finance
- Political uncertainty with a general election likely in 2024
- The continued war in Ukraine



Monica Whitefield,
Chief People Officer

In addition to these uncertainties, Newable is also exposed to ‘business as usual’ risks, which are managed together with the uncertainties above, through the execution of Newable’s Risk Management Strategy which is overseen by the Risk and Governance Committee. Newable’s Risk Management Strategy is to:

- 1. Identify our principal risks
- 2. Define our risk appetite for our principal risks
- 3. Manage risk with effective independent oversight
- 4. Promote a sound risk control and risk-aware culture.

Newable’s Risk Appetite Statement identifies the four principal risks which Newable faces and defines its appetite for them. The table below sets out the principal risks and provides a description of key themes currently being faced within each principal risk and outlines what actions, as a part of Newable’s Risk Management Framework, are being taken to manage them.

Principal Risks & Themes	What we are doing to manage the risk
Strategic Risk	
Changes in legislation or government policy affecting the provision of products and/or services offered.	<p>Our strategy affords a natural hedge against adverse sector market movements as we operate in several different industries.</p> <p>Constantly monitoring the shared service functions’ value-add to the Group</p>
A constrained ability to raise additional capital could hinder growth opportunities.	<p>Following the acquisition of the Newable Group of companies by Newable Partnership Ltd (a company limited by share capital), Newable has an improved ability to raise fresh equity finance from potential investors.</p> <p>We continue to explore other ways of raising finance to support our growth ambition.</p>
Financing Risk	
Localised debt solutions are put in place at portfolio companies which restricts the movement of cash around the Group.	Robust cashflow management controls are in place to help to ensure cash is in the right place at the right time.
The credit risks arising from on-balance sheet lending to SMEs.	Lending is part funded by partners and has Government backed guarantee programmes in place to reduce the level of risk exposure to Newable.
Operational Risk	
The ever-present cyber security threat environment.	Newable’s Cyber Security Committee meets four times per year to help manage Newable’s cyber threat response and has a range of polices and processes in place to address the threat.

The key people risk with regards to subject matter experts in the various industries within which the Group operates	Succession planning continues to be a priority to ensure business continuity.
Compliance Risk	
The regulatory compliance risks arising from regulators including the Financial Conduct Authority.	Newable’s Compliance function (second line of defence – 2LoD) carries out an annual programme to monitor compliance with applicable laws and regulations.
Health and safety risk arising from the manufacturing and warehouse type businesses with the Group.	A formal Health and Safety Committee has been established to ensure this area has sufficient oversight.

4. Key Performance Indicators (“KPIs”)

The Board and management regularly monitor actual revenue against budgeted revenue, costs and underlying pre-tax profitability and earnings before interest, taxation, depreciation and amortisation (‘EBITDA’). This is achieved by a combination of the production of monthly management accounts, cost centre reporting, quarterly reforecasts and the preparation of annual budgets at the individual business and Group level.

Note 6 of the financial statements provides an analysis of revenues by major business unit and type of revenue.

In addition, weekly KPI reporting has been developed which tracks key business metrics for each of Newable’s individual businesses.

Review and monitoring take place through a combination of weekly and monthly business reviews, individual Business Board and finance meetings and scheduled Group Board and Group Committee meetings. In addition, Newable’s various CRM systems provide valuable additional and real time KPIs for Newable.

The Board and management believe that these key performance indicators as described above are key metrics to monitor Newable’s performance, as they provide a good basis to judge underlying performance.

5. s172 Statement

Companies Act 2006 s172

The Directors consider, both individually and collectively that, in the decisions taken during the financial year, they have satisfied the requirements of s172(1) of the Companies Act 2006 in acting in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders and other stakeholders, as a whole, and in doing so having regard to its stakeholders and matters outlined in s172(1).

Long term strategy

The Board meets on a regular basis and is responsible for setting Newable’s long-term strategy and ensuring that this is communicated across the business.

Newable’s purpose is to make sustainable profits from helping other businesses thrive and to substantially grow the size of the business through increasing profitability. This is balanced with Newable’s Social, Environmental and Governance (“ESG”) responsibilities being fundamental to our business approach.

The focus remains consistent with Newable’s strategy in prior years – to provide:

- Money, advice and workspace for clients
- Rewarding and fulfilling careers for staff
- Balanced returns for stakeholders

In setting Newable’s long-term strategy, the Directors consider the courses of action which best enable delivery of our strategy through the long-term, taking into consideration the impact on all stakeholders. In doing so, Directors act fairly as between Newable’s stakeholders. Each of the key stakeholder groups and matters are outlined below.

Employees

Newable’s long-term success is predicated on the commitment of our employees to our purpose, and their demonstration of Newable’s values on a daily basis. The Directors recognise that our employees are fundamentally important to our business and to the delivery of our strategic ambitions.

Regular employee engagement comes from a number of different channels including:

- An annual confidential and independently coordinated ‘all people’ survey – Best Companies
- Regular Town Hall meetings to update on Newable’s performance
- Employee forums such as our Social Impact team
- Employee feedback forms
- External reviews and benchmarking
- CEO breakfast meetings
- HR one-to-one coffee catchups

Employee engagement led to improvements to Newable’s benefits package for staff in FY22 and in FY23 we introduced an HMRC approved Company Share Option Plan.

Customers

The Directors recognise that engagement through listening, understanding and responding to clients and customers is critical to long-term success.

The Executive Directors engage with customers and framework providers regularly through:

- Meetings
- Dedicated account management
- Customer interviews
- Site visits
- Conferences
- Digital and Social media channels

The feedback from customer engagement helps to inform the long-term Money, Advice, and Workspace strategies, budgets, and business plans and which are regularly considered and approved by the Board.

Suppliers

Newable’s Directors understand that the success and reputation of Newable is connected to its relationship with its suppliers. Accordingly, Newable seeks to develop positive and collaborative relationships with its suppliers based on minimum ESG standards as set out in our Supplier Code of Conduct which is issued to all suppliers. Newable will also shortly be introducing a strengthened third-party assurance process.

Shareholders

Newable Partnership Limited’s shareholders are its senior management and staff – Newable is an employee-owned business, with Newable Limited now a non-voting preference shareholder in Newable Partnership Limited.

In addition to the Annual General Meeting, two all-staff meetings will be held each year, to provide employee shareholders and option holders with an update on Newable’s performance, discuss issues, and provide a forum to raise questions on a regular basis. Shareholders will also receive the Annual Report and Financial Statements. Shareholders can also raise issues and ask questions of Directors at any stage during the year.

Communities and environment

Newable’s ESG strategy requires regular consideration of the communities and environment within which Newable operates. Newable’s Environment and Social Impact Committee assists the Directors in understanding the impact of Newable’s operations on communities and the environment. Some of these areas include:

- Carbon reporting
- Gender and ethnic pay gap reporting
- Engagement with local communities
- Staff engagement
- Staff health initiatives
- Gender, ethnic and sexual orientation diversity initiatives

Newable also employs a full time ESG and Sustainability Manager, to support Newable’s ESG Strategy.

Business Conduct

The Board will periodically review and approve key documents / policies, such as General Business Principles, Newable’s Code of Conduct, Compliance manuals (which include Whistleblowing), and its Modern Anti-Slavery Statement, to ensure that its high standards are maintained both within Newable, and in the business relationships we maintain. This is also supported by a staff training programme. This, complemented by the way the Board is informed and monitors compliance with relevant governance standards, helps ensure its decisions are taken, and that Newable acts, in ways that promote high standards of business conduct.

6. Conclusion

During the year Newable operated against an adverse economic backdrop of high inflation, low growth and the possibility of recession. In addition, the international scene has been difficult with political uncertainty and war in Europe. Despite this we posted strong underlying results demonstrating Newable's resilience.

I am pleased to be able to report these results, which demonstrate the continued potential of the business. Newable is a special business and I am confident, with the new ownership structure that is now in place, following the acquisition of Newable's operating businesses on 31 January 2023 by Newable Partnership Limited, that we will navigate the challenges that lie ahead as we execute our strategy to grow the business and to deliver outstanding products and services to our customers.

Finally, I would like to record again my gratitude to all our staff and to my Board colleagues at Newable for their contributions. There has been a great deal of hard work by every single person across the business. Despite the many challenges that Newable, and indeed the United Kingdom, faces I look forward with confidence in Newable's future.

On behalf of the Board

C J Manson
Chief Executive



21 September 2023



Chris Manson,
Chief Executive, Newable

Directors' Report

The Directors present their annual report and financial statements for the period ended 31 March 2023. The financial statements are for Newable Partnership Limited (the “Company”) and its subsidiaries (together, the “Group”).

1. Results and Future Developments

The Group’s loss for the period, after taxation, amounted to £4,486,000, and has been deducted from reserves. No ordinary dividends were paid. The directors do not recommend the payment of a final dividend.

Financial Risk Management – see the Strategic Report above
Charitable Donations – £10,000
Post Balance Sheet Events – see Note 32 to the Financial Statements
Future Developments – see the Strategic Report above

2. Directors

Those persons who acted as Directors during the period and subsequently are given below:

Non-Executive Directors	
P G Collis CB	Appointed 31 January 2023
J W Hopkins	Appointed 31 January 2023
A G MacLennan	Appointed 31 January 2023
ClIr G Nicholson	Appointed 31 January 2023
V A Sharp	Appointed 31 January 2023
A M Watts CBE	Appointed 31 January 2023
Executive Directors	
M Karim	(Chief Information Officer) appointed 31 January 2023
C J Manson	(Chief Executive Officer) appointed 14 September 2022
R C Thompson	(Chief Financial Officer) appointed 14 September 2022
M B Walsh	(Chief Governance Officer and Company Secretary) appointed 31 January 2023
M B Whitefield	(Chief People Officer) appointed 31 January 2023

3. Auditors

A resolution to reappoint CLA Evelyn Partners Limited as auditors of the Group and Company will be proposed at a General Meeting of the Company on 22 November 2023.

4. Directors’ responsibilities for the financial statements

The Directors are responsible for preparing the Annual 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 financial statements in accordance with the UK-adopted international accounting standards, and the Company financial statements in

accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law – “UK GAAP”), in compliance with Financial Reporting Standard 101.

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 and 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;
- state whether the Group Financial Statements have been prepared in accordance with the UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and in the case of the Company financial statements, in accordance with UK GAAP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

All the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group and Company’s auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

5. Employment policies

Through its diversity and inclusion policy, the Company seeks to ensure that every job applicant and employee, without exception, is treated equally and fairly and will not be placed at a disadvantage on grounds which are not related to their ability to do the job. Reasonable adjustments are made for disabled job applicants and employees to ensure access to the workplace, access to facilities at work and career progression are in accordance with any available opportunity and the applicant’s suitability, talent and wish for progression. Our policies and procedures fully support our disabled colleagues, and all employees are trained and made aware of their own responsibilities to conform to these policies. We monitor our employment practices and procedures on a regular basis to make sure they do not discriminate unlawfully.

On behalf of the board

R C Thompson
Director



21 September 2023
140 Aldersgate Street,
London
EC1A 4HY



Rob Thompson,
Chief Financial Officer, Newable

Corporate Governance Framework

Group Chair's Statement

Newable Partnership Limited is a new company which was incorporated on 14 September 2022 and acquired Newable's businesses, via the acquisition of Newable UK Holdings Limited, from Newable Limited on 31 January 2023. Newable Partnership Limited is a company limited by share capital and is owned by its senior management and staff. Following this transaction, Newable Limited will continue to be a significant stakeholder in Newable through its holding of non-voting preference shares in Newable Partnership Limited.

The Board ("the Group Board") maintains high standards of corporate governance, which have been reinforced and enhanced by becoming an employee-owned business.

To ensure we achieve a high standard of corporate governance, the Board of Directors elected on 31 January 2023 to follow the principles of the Quoted Companies Alliance Corporate Governance Code ("QCA Code"). The principles of the QCA Code are embedded into Newable's internal reporting and governance structures, ensuring its effective adoption.

We set out below our approach in relation to the ten key principles of the QCA Code.

Principle 1: Establish a strategy and business model

Our business strategy is to develop Newable in order to provide:

- Money, advice and workspace for clients
- Rewarding and fulfilling careers for staff
- Balanced returns for stakeholders

Our business model is to leverage the expertise of Newable's shared services into its Money, Advice and Workspace divisions.

Please see the Strategic Report section of our Annual Report for more information on the key strategic execution challenges and how they will be addressed.

Principle 2: Understand and meeting shareholders needs and expectations

Each year, employee shareholders and option holders will be invited to attend the Annual General Meeting, where they have the opportunity to ask questions and address any concerns to the Board. Newable also provides shareholders with its Annual Report and Consolidated Financial Statements and a review of Newable's activities.

In addition, two shareholder meetings will be held annually to provide employee shareholders with an update on Newable's performance, discuss issues, and provide a forum to raise questions on a regular basis. Any shareholder, or any of Newable's other stakeholders, can request a meeting with the Company's leadership by contacting the Group Chief Governance Officer, Michael Walsh at: michael.walsh@newable.co.uk.

Principle 3: Wider stakeholder and social responsibilities

Newable's long-term success relies upon good relations with all its stakeholder groups, both internal and external. The Group Board affords the highest priority to ensuring that it maintains a strong understanding of the needs and expectations of all stakeholders.

This work is led predominately by Newable’s Environmental and Social Impact Committee. Please see Newable’s s172 statement for more information on how Newable engages with and considers its stakeholders.

Principle 4: Effective risk management throughout the organisation

The Risk and Governance Committee plays a key role in promoting the efforts to further develop Newable’s risk culture, enhance staff’s understanding of Newable’s risks, and their role in managing and mitigating those risks.

The Committee leads on the formal regular reviews of Newable’s risk policies, risk appetite and risk management framework, reviews and approves key governance policies and makes appropriate recommendations to the Board. This Committee also oversees the work of Newable’s Cyber Security Committee and the work of Newable’s Crisis Management Team.

Newable’s Audit Committee is supported by an internal audit function that is outsourced to RSM, an independent firm. During the year, the Audit Committee reviewed the results of a number of internal audit reports covering various issues, to test the strength of our internal controls and risk processes. RSM will continue this programme of work in the forthcoming year, which is part of a planned rolling programme across Newable.

Principle 5: A balanced and well-functioning Board led by the Chair

The Group Board and the Committees regularly receive detailed and high-quality information to facilitate proper assessment of any matters requiring a decision or insight. The Group Board comprises the Chief Executive Officer, Chief Financial Officer, Chief People Officer, Chief Information Officer, Chief Governance Officer and six Non-Executive Directors including the Chair. The Group Board has reviewed the independence of the NEDs and has concluded that they are independent.

Executive Directors are employed by the Group on a full-time basis whereas the Non-Executive Directors are remunerated on a fixed-fee part-time basis. All Directors devote a significant portion of their time in order to discharge their duties both at and outside of Group Board meetings.

The Group Board will meet at least three times a year and as required from time to time to consider specific issues required for decision by the Group Board. The table below shows the attendance at Group Board meetings since the establishment of Newable Partnership Limited on 14 September 2022:

Director’s Name	14 Sept 2022 – 31 March 2023
P G Collis CB (appointed 31 January 2023)	1/1
J W Hopkins (appointed 31 January 2023)	1/1
M Karim (appointed 31 January 2023)	1/1
A G MacLennan (appointed 31 January 2023)	1/1
C J Manson (appointed 14 September 2022)	3/3
G Nicholson (appointed 31 January 2023)	1/1
V A Sharp (appointed 31 January 2023)	1/1
R C Thompson (appointed 14 September 2022)	3/3
M B Walsh (appointed 31 January 2023)	1/1
A M Watts CBE (appointed 31 January 2023)	1/1
M B Whitefield (appointed 31 January 2023)	1/1

Principle 6: Experience, skills and capabilities

Directors who have been appointed to the Group Board have been chosen because of the skills and experience they offer. The Directors have strong, relevant experience across the areas of government, accounting, entrepreneurship, banking, IT services, finance, governance, and people management.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of supporting small to medium sized enterprises.

All Directors will receive regular and timely information on the Group’s operational and financial performance. Relevant information will be circulated to the Directors in advance of meetings.

Skills and knowledge have been gained through experience in supporting smaller businesses and these are maintained through ongoing involvement and participation within the sector.

Biographical details of members of the Group Board are detailed on Newable’s external website at: <https://www.newable.co.uk/team.php>.

Principle 7: Board evaluation

The Group Board will undertake an annual self-assessment process, the results of which will be reviewed by the Board and the Nominations Committee, which will help to inform future priorities for Board performance development.

In addition the Board will periodically (usually every three years) undertake a third-party evaluation of Board performance and effectiveness. The Nominations Committee is currently reviewing future arrangements for the Board and Committees’ self-assessment process and future third-party evaluation assessments.

Principle 8: A culture that is based on ethical values and behaviours

Newable is a values-driven business. Our five values were defined as a result of a Group wide engagement process and reflect the underlying principles that Newable’s businesses have operated under since Newable was founded in 1982. The five values are Dream Big, Get Going, Grow Together, Always Improve and Pass it On. Newable remains committed to these values which underpin its strategy.

Together these values are intended to help foster a culture that generates professional confidence, an inclusive and high morale working environment that promotes ethical behaviour and high standards in the workplace and in our relationships with third parties. We monitor progress against our values through regular staff surveys which are discussed and reviewed at Board meetings.

Principle 9: Governance structures and processes that support good decision making

The Group Board has adopted a formal schedule of matters that detail key aspects of the Company’s affairs and activities; these are presented to the Group Board for decision and/or adoption.

Responsibility for the development and recommendations of strategic plans and for the implementation of strategies and policies approved by the Group Board and operational management have been delegated to the Boards of Newable’s individual businesses and the Group Board Committees. Both Executive and NEDs are members of the business Boards and Committees.

Particular areas of focus for the Group Board, its supporting Committees and the Business Boards have included:

- Strategic Direction and the development of Newable’s next Five Year Strategic Plan
- Business Acquisition Proposals, including the acquisition of Newable UK Holdings Limited and its subsidiaries from Newable Limited
- Cyber Security
- Newable’s ESG strategy and in particular Newable’s environmental impact and how to address it
- Regulatory compliance
- Financial reporting and monitoring
- Capital Structure and planning
- Diversity, inclusion and company culture
- Governance, board composition and evaluation

In addition, during the period under review, the Group Board obtained external legal advice to assist with the acquisition of Newable UK Holdings Limited and with the establishment of a Company Share Option Scheme (“CSOP”).

Principle 10: Strong communication with shareholders and other relevant stakeholders

Newable will communicate on a regular basis with its shareholders through the Annual Report and Financial Statements that will be distributed to all shareholders, the Annual General Meeting (AGM) itself and through an additional two shareholders meetings that will take place annually.

Access to corporate information is also available to shareholders, customers both current and future, and Newable’s other stakeholders, through Newable’s external website: www.newable.co.uk.

Committees

Following the acquisition of Newable UK Holdings Limited and its subsidiaries on 31 January 2023, the Group Board approved the establishment of a number of Board Committees to ensure a strong governance infrastructure was in place to support the Group Board in its deliberations and decision making, and to comply with the QCA Corporate Governance Code.

As a result, the Committees have only met once during the period post-acquisition between 31 January and the 31 March year end, with the exception of the Nominations Committee which will meet for the first time in October 2023. In addition, each Committee also took over the matters arising from Newable Limited’s Board Committees and to ensure continuity the membership of each Committee replicates the membership of Newable Limited’s Committees.

It is also worth noting that a review is currently under way to assess fully the most appropriate governance structure to manage the Group’s activities. It is planned that any improvements identified will be adopted later in the FY24 financial year and will be fully reported on in the FY24 Annual Report.



Ishita Gupta,
Marketing Assistant, Newable

Turning to each of the Committees:

Audit Committee Report

Currently the Audit Committee will meet three times a year, although additional meetings will be scheduled when required. The Committee consists of three independent Non-Executive Directors. In addition, the Chief Executive Officer, the Chief Financial Officer, Chief Governance Officer, the Director of Risk, external auditors and internal auditors attend by invitation at the discretion of the Chair.

The Committee is responsible for assisting the Board in discharging its responsibilities for the selection of accounting policies and financial reporting and internal controls.

Newable management has established a system of internal control, which includes the accounting systems needed to manage and record transactions undertaken by the business. The Committee approves and will oversee the annual internal audit programme that is delivered by RSM (a third-party professional firm), and it will review the results of internal audits. In addition, the external auditors will also report to the Committee on any observations on Newable’s internal control framework arising from their external audit work. The Committee’s work in this area is also assisted by the Risk & Governance Committee’s oversight of Newable’s risk management and regulatory compliances processes. However, it must be recognised that any system cannot provide absolute assurance against material misstatement or loss.

The Audit Committee will review the independence of the external auditors, including the relationship between audit and non-audit work performed by the external auditors, the nature and scope of the audit with the external auditors prior to commencement, and the scope and results of the annual audit, including its cost effectiveness and objectivity. The Committee will also formally evaluate the performance of the external and internal auditors on an annual basis. The internal and external auditors have direct access, if required, to the Chair of the Committee.

The FY23 year-end process is Evelyn Partners’ first year of appointment as external auditors to Newable Partnership Ltd. The Committee’s intention is to comply with best practice in relation to external auditor rotation and it will periodically conduct a retendering of the external audit.

For the FY23 year-end Annual Report & Financial Statements, particular attention has been given by the Committee to the impact and accounting issues arising from the acquisition of Newable UK Holdings Ltd and its subsidiaries.

Audit Committee Meeting Attendance:

Director’s Name	31 January 2023 – 31 March 2023
P G Collis CB (Chair)	1/1
A G MacLennan	1/1
V A Sharp	1/1

Remuneration Committee Report

Currently the Remuneration Committee meets three times a year, although additional meetings will also be scheduled when required. The Remuneration Committee consists of three independent Non-Executive Directors. Executive Directors may attend at the invitation of the Chair with the Chief Executive Officer, Chief People Officer, the Chief Financial Officer and the Chief Governance Officer

normally in attendance to report on specific matters (but are always excluded when their own performance and remuneration is under review).

The Remuneration Committee assists the Board in discharging its responsibilities for executive remuneration policy, remuneration arrangements of Directors and remuneration generally across the Group.

Remuneration Committee Meeting Attendance:

Director’s Name	31 January 2023 – 31 March 2023
P G Collis CB	1/1
A G MacLennan (Chair)	1/1
A M Watts CBE	1/1

Nominations Committee Report

Currently the Nominations Committee meets once in each financial year and is due to meet for the first time in October 2023, but the Committee will hold additional meetings when required. The Committee consists of three Non-Executive Directors and one Executive Director. The Committee is responsible for assisting the Board in the formal selection and appointment of Directors.

The Committee will consider potential candidates and will recommend the appointment of new Directors to the Board. The Committee will also take responsibility on behalf of the Group Board for the recruitment, induction and training of new Directors and the assessment of Board and individual Director’s performance. It evaluates Board members’ performance, which includes a review of attendance records and contributions to meetings.

The Committee also reviews and reports on performance in relation to Board and Committee administration including the content and timeliness of papers and minutes.

Nominations Committee Meeting Attendance:

Director’s Name	31 January 2023 – 31 March 2023
P G Collis CB (Chair)	0/0
C J Manson	0/0
A M Watts CBE	0/0
G Nicholson	0/0

Risk & Governance Committee Report

The Risk & Governance Committee currently meets three times a year but additional meetings will be scheduled as and when required. This Committee comprises three Non-Executive Directors. Executive Directors attend at the invitation of the Chair with the Chief Executive Officer, Chief People Officer, the Chief Financial Officer, Chief Information Officer, the Chief Governance Officer and the Director of Risk normally in attendance.

The Committee will provide focus on Newable’s risk & governance agenda. This will include promoting and developing Newable’s risk culture and assisting in the ongoing programme to improve risk processes.

In addition, the Committee has responsibility for overseeing Newable’s governance arrangements, including Board administration, compliance with the QCA Code and compliance with a range of key policies such as Financial Crime legislation and data protection regulations (GDPR).

As part of its Governance responsibilities, the Risk & Governance Committee will liaise closely with the Environmental & Social Impact Committee on governance matters where there may be an impact on the increasingly important ESG agenda.

Risk & Governance Committee Attendance:

Director’s Name	31 January 2023 – 31 March 2023
V Sharp (Chair)	1/1
A M Watts CBE	1/1
P G Collis CB	1/1

Environmental & Social Impact Committee (‘ESI’) Report

The ESI Committee’s major responsibility is to provide Newable with a greater focus on its ESG Strategy, its ESG agenda and give greater visibility to Newable’s historic focus on this very important issue.

The Committee currently meets three times a year and comprises three Non-Executive Directors. The Executive Directors will normally be in attendance together with the Director of Risk, Director of HR and the Director of Marketing, together with a number of other staff, reflecting the Committee’s wide-ranging agenda.

The ESI Committee has responsibility for overseeing Newable’s work on its environmental impact and how this is being mitigated, on Newable’s engagement with its stakeholders and for governance issues that relate specifically to the ESG agenda, working closely with the Risk & Governance Committee.

The Committee also has responsibility for seeking to improve and enhance best practice with regards to people policy and procedures. Newable is strongly committed to the principles and practice of Diversity, Equality and Inclusion.

ESI Committee Attendance:

Director’s Name	31 January 2023 – 31 March 2023
V Sharp	1/1
A M Watts CBE (Chair)	1/1
A G MacLennan	1/1

Angus MacLennan
Group Chair
21 September 2023



Azim Hosein,
Chief Operating Officer, NewFlex

Independent Auditor's Report

Opinion

We have audited the financial statements of Newable Partnership Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2023 which comprise Consolidated Statement of Profit and Loss, Consolidate Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company 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.

Basis for opinion

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

Conclusions relating to going concern

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 and 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors’ report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report.

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

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

Responsibilities of directors

As explained more fully in the directors’ responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group’s and the parent company’s ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. 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.

We obtained a general understanding of the Group’s legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity’s policies and procedures in relation to compliance with relevant laws and regulations and how management identify breaches of the applicable Financial Conduct Authority (FCA) rules. We also drew on our existing understanding of the Group’s industry and regulation.

We understand that the Group complies with requirements of the framework through:

- The Directors managing and overseeing a compliance function
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change
- The Directors’ close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at Board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements and which are central to the Group’s ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Group:

- Companies Act 2006 in respect of the preparation and presentation of the financial statements.
- UK -adopted international accounting standards and FRS 101 in respect of the preparation and presentation of the financial statements.
- The UK regulatory principles, including those governed by the Financial Conduct Authority (FCA).

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- We enquired with the Group’s management as to the existence of litigation and no material items were identified;

- We have enquired of legal correspondence throughout the period, and nothing has come to light in respect of non-compliance;
- We obtained written management representations regarding disclosure of any non-compliance with laws and regulations;
- We enquired of FCA correspondence as part of compliance with the laws and regulations and nothing has come to light in respect of non-compliance.

Audit procedures performed by the engagement team on the areas where fraud might occur included:

- Testing of the recognition and recoverability of period-end trade debtors and accrued income;
- Testing journal entries, selected based on specific risk assessments applied based on client processes and controls surrounding manual journals;
- Testing the occurrence of revenue, specifically around the balance sheet date;
- Testing the valuation of goodwill, investments in joint ventures and other intangible assets; and
- Testing the completeness of the preparation of the consolidation.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the entity’s financial statements to material misstatement, including how fraud might occur. We also considered performance targets and their influence on efforts made by management to meet external pressures in reporting the financial results or for personal interest of the directors.

A further description of our responsibilities is available on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the 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.

Mark Bishop
(Senior Statutory Auditor) for and on behalf of

CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

CLA Evelyn Partners Limited

45 Gresham Street
London
EC2V 7BG

21 September 2023



Joanne Baker,
Director of Financial Performance and Planning, Newable

Financial Statements

Consolidated Statement of Profit and Loss For the period ended 31 March 2023

		Period ended 31 March 2023		
	Note	Continuing Operations £000	Discontinued Operations £000	£000
Revenue	6	27,160	911	28,071
Cost of sales		(17,203)	(74)	(17,277)
Gross profit		9,957	837	10,794
Administrative expenses		(9,790)	(498)	(10,288)
Movement in Deferred Consideration				
Acquisition Provision	7	(1,323)	-	(1,323)
Loss on the disposal of owned assets		(6)	-	(6)
Decrease in fair value of investments		(29)	-	(29)
Operating loss before depreciation and amortisation	8	(1,191)	339	(852)
Share of post-tax profit of equity accounted joint ventures	18	(326)	-	(326)
Earnings Before Interest Taxation				
Depreciation and Amortisation (EBITDA)		(1,517)	339	(1,178)
Add back:				
Movement in Deferred Consideration				
Acquisition Provision		1,323	-	1,323
Adjusted Earnings Before Interest				
Taxation Depreciation and Amortisation		(194)	339	145
(Adjusted EBITDA)				
Depreciation, Amortisation & Impairment		(2,035)	(8)	(2,043)
Finance income	10	213	83	296
Finance expense	10	(1,200)	(73)	(1,273)
Profit/(loss) before tax		(4,539)	341	(4,198)
Tax charge	11	(28)	(260)	(288)
Profit/(loss) for the period		(4,567)	81	(4,486)
Attributable to:				
- Equity holders of the parent		(4,636)	81	(4,555)
- Non-controlling interest		69	-	69
		(4,567)	81	(4,486)

The notes on pages 45 to 93 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income For the period ended 31 March 2023

	Period ended		
	Continuing	Discontinued	31 March
	Operations	Operations	2023
Note	£000	£000	£000
Profit/(loss) for the period	(4,567)	81	(4,486)
Other comprehensive income			
Items that may be reclassified to profit or loss:	-	-	-
Items that will not be reclassified to profit or loss:	-	-	-
Other comprehensive gain/(loss) for the period (net of tax)	-	-	-
Total comprehensive income/(loss) for the period	(4,567)	81	(4,486)
Attributable to:			
- Equity holders of the parent	(4,636)	81	(4,555)
- Non-controlling interest	69	-	69
	(4,567)	81	(4,486)

The notes on pages 45 to 93 form part of these consolidated financial statements.

Consolidated Statement of Financial Position As at 31 March 2022

Company Number: 14356119

	Note	2023 £000
Non-Current Assets		
Property, plant & equipment	12	9,546
Right-of-use assets	13	23,106
Intangible assets	15	58,803
Investments in equity-accounted joint ventures	18	3,410
Fair value through profit or loss investments	20	541
Loan receivables	23	2,443
Deferred tax asset	27	807
		98,656
Current Assets		
Inventories	21	9,385
Trade and other receivables	23	48,922
Cash & cash equivalents	33	8,781
Assets classified as held for sale	22	10,997
		78,085
Total Assets		176,741
Current Liabilities		
Trade and other payables	24	43,011
Loans and borrowings	25	20,718
Lease liabilities	13	4,577
Provisions	26	385
		68,691
Non-Current Liabilities		
Loans and borrowings	25	26,618
Lease liabilities	13	18,822
Provisions	26	1,374
Deferred tax liability	27	5,384
		52,198
Total Liabilities		120,889
Net Assets		55,852

The notes on pages 45 to 93 form part of these consolidated financial statements.

Consolidated Statement of Financial Position (continued)
As at 31 March 2022

	Note	2023 £000
Capital and reserves		
Share capital	28	78,182
Other reserves	29	(18,468)
Retained earnings		(4,555)
		55,159
Non-controlling interest		693
Total Shareholders' Funds		55,852

The financial statements on pages 34 to 93 were approved and authorised for issue by the Board of Directors on 21 September 2023 and were signed on its behalf by:

R C Thompson
Director



The notes on pages 45 to 93 form part of these consolidated financial statements.

Company Statement of Financial Position
For the period ended 31 March 2023

Company Number: 14356119

	Note	2023 £000
Non-Current Assets		
Investments	14	64,621
Right-of-use assets	13	2,407
Deferred tax asset	27	-
		67,028
Current Assets		
Trade and other receivables	23	128
Cash at bank	33	-
		128
Current Liabilities		
Trade and other payables		
Loans and borrowings	25	3,031
Lease liabilities	13	691
		3,722
Net current liabilities		3,594
Net assets less current liabilities		63,434
Non-Current Liabilities		
Loans and borrowings	25	2,292
Lease liabilities	13	1,834
		4,126
Net Assets		59,308
Capital and reserves		
Share capital	28	78,182
Other reserves	29	(18,468)
Retained earnings		(406)
Total Shareholders' Funds		59,308

The financial statements on pages 39 to 93 were approved and authorised for issue by the Board of Directors on 21 September 2023 and were signed on its behalf by:

R C Thompson
Director



The Company is not publishing a separate statement of financial performance as permitted by section 408 of the Companies Act 2006. The loss for the period dealt within the Group financial statements was £406,000.

The notes on pages 45 to 93 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows For the period ended 31 March 2023

	2023
	£000
Cash flows from operating activities	
Loss for the period	(4,486)
Adjustments for non-cash movements:	
Depreciation of tangible fixed assets	567
Amortisation of right-of-use assets	801
Amortisation of intangible fixed assets	530
Finance income	(296)
Finance costs	1,243
Share of loss in equity accounted joint venture	326
Movement in deferred consideration acquisition provision	1,323
Impairment in value of land & buildings	145
Taxation expense	288
Loan notes	5,323
Bank loans reclassified from held for sale asset	5,250
Issue of equity	78,173
Acquisition of equity-accounted joint ventures	(3,736)
Acquisition of held for sale assets	(37,397)
Movement in working capital:	
Increase in trade and other receivables	(8,104)
Increase in inventories	(9,385)
Increase in trade and other payables	(12,924)
Increase in provisions	1,759
Decrease in other reserves	(18,468)
Cash generated from operations	932
Net interest paid	(569)
Corporation tax paid	(128)
Net cash flows generated from operating activities	235

The notes on pages 45 to 93 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows (continued) For the period ended 31 March 2023

	2023
	£000
Net cash flows generated from operating activities brought forward	235
Cash flows from investing activities	
Purchases of property, plant and equipment	(1,334)
Disposals of property, plant and equipment	85
Purchases of intangible assets	(232)
Acquisition of subsidiaries (net of cash)	9,014
Net cash generated from investing activities	7,533
Cash flows from financing activities	
Issue of equity	9
Repayments of bank borrowings	(517)
New bank loans raised	2,259
Principal paid on lease liabilities	(189)
Interest paid on lease liabilities	(697)
Payment of profit attributable to non-controlling interests	-
Net cash generated from financing activities	865
Increase in cash and cash equivalents	8,633
Cash and cash equivalents (including overdrafts) at 14 September	-
Cash and cash equivalents at 31 March (see note 33)	8,633

The notes on pages 45 to 93 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity For the period ended 31 March 2023

	Note	Share Capital	Retained Earnings	Total	Other Reserves	Non- controlling Interest	Total Equity
		£000	£000	£000	£000	£000	£000
Balance at 14 September 2022		-	-	-	-	-	-
Comprehensive Income for the period ended 31 March 2023		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Loss for the period		-	(4,555)	(4,555)	392	69	(4,094)
Total comprehensive income for the period ended 31 March 2023		-	(4,555)	(4,555)	392	69	(4,094)
Non-controlling interest from business acquisition						624	624
Issue of ordinary shares	28	10	-	10	-	-	10
Issue of preference shares	28	78,172	-	78,172	(18,860)	-	59,312
Balance at 31 March 2023		78,182	(4,555)	73,627	(18,468)	693	55,852

The notes on pages 45 to 93 form part of these consolidated financial statements.

Company Statement of Changes in Equity For the period ended 31 March 2023

	Note	Share Capital	Retained Earnings	Total	Other Reserves	Non- controlling Interest	Total Equity
		£000	£000	£000	£000	£000	£000
Balance at 14 September 2022		-	-	-	-	-	-
Comprehensive Income for the period ended 31 March 2023		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Profit for the period		-	(406)	(406)	392	-	(14)
Total comprehensive income for the period ended 31 March 2023		-	(406)	(406)	392	-	(14)
Issue of ordinary shares	28	10	-	10	-	-	10
Issue of preference shares	28	78,172	-	78,172	(18,860)	-	59,312
Balance at 31 March 2023		78,182	(406)	77,776	(18,468)	-	59,308

The notes on pages 45 to 93 form part of these consolidated financial statements.

Notes on the Financial Statements

1. Statement of profit and loss and business combinations

Newable Partnership Limited acquired Newable UK Holdings Limited and its subsidiaries from Newable Limited on 31 January 2023, so the consolidated financial statements above report only the results of Newable for the 2 months to 31 March 2023. The following is a pro forma statement of profit and loss for the 12 months to 31 March 2023 to provide an overview of the full year performance of Newable's activities.

	Year ended 31 March 2023 £000
Revenue	147,110
Cost of sales	(80,830)
Gross profit	68,280
Administrative expenses	(56,578)
Movement in Long Term Incentive Plan Provision	(56)
Movement in Deferred Consideration Acquisition Provision	(3,280)
Loss on the disposal of owned assets	(126)
Decrease in fair value of investments	(2,257)
Operating profit before depreciation and amortisation	3,983
Share of post-tax loss of equity accounted joint ventures	(52)
Earnings Before Interest Taxation Depreciation and Amortisation (EBITDA)	3,931
Add back:	
Movement in Long Term Incentive Plan Provision	56
Movement in Deferred Consideration Acquisition Provision	3,280
Adjusted Earnings Before Interest Taxation Depreciation and Amortisation (Adjusted EBITDA)	7,267
Depreciation & Amortisation	(8,898)
Finance income	727
Finance expense	(3,680)
Loss before tax	(7,920)
- Equity holders of the parent	(8,763)
- Non-controlling interest	843
	(7,920)

1. Statement of profit and loss and business combinations (continued)

On 31 January 2023, Newable Partnership Limited acquired the total share capital of Newable UK Holdings Limited, and its subsidiaries, for a consideration of £84,205,000. The consideration was in the form of loan notes and equity which was discounted to a fair value of £64,621,000.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Book Value £000	Adjustment £000	Fair Value £000
Fixed assets	9,321	(401)	8,920
IFRS 16 right-of-use asset	22,440	1,467	23,907
Working capital	5,687	1,249	6,936
Net debt	(13,419)	-	(13,419)
Other assets / (liabilities)	(984)	1,015	31
IFRS 16 lease liability	(22,440)	(1,467)	(23,907)
Deferred tax liability	-	(5,352)	(5,352)
Brand	-	2,488	2,488
Customer contracts	-	28	28
Customer relationships	-	14,186	14,186
Software	-	1,170	1,170
Held for sale assets (see note 22)	37,397	-	37,397
Equity accounted joint venture	3,735	-	3,735
Total net assets	41,737	14,383	56,120

	£000
Loan notes	6,033
Preference share capital	78,172
Discounting of loan notes	(724)
Discounting of preference share capital (see note 29)	(18,860)
Total consideration	64,621
 Goodwill	 8,501

	£000
Cash outflow on acquisition	-
Cash consideration paid	(9,014)
Cash acquired in subsidiary	(9,014)
Total cash consideration	(9,014)

1. Statement of profit and loss and business combinations (continued)

Acquisition costs of £358,000 arose from the transaction, which have been recognised as part of administrative expenses in the consolidated statement of profit and loss.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.
- Cost savings which result in the Group being prepared to pay a premium.

2. Incorporation and operations

Newable Partnership Limited was incorporated on 14 September 2022 and is domiciled in England and Wales as a private company limited by shares. The registered address is 140 Aldersgate Street, London, EC1A 4HY. The principal activity of the Company is that of a holding company for its subsidiaries. The activities of the Company and its subsidiaries ("the Group") are described in note 2 of the Strategic Report.

3. Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements and company financial statements are set out in note 4. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements are presented in sterling, which is also the functional currency of the Group and Company. Amounts are rounded to the nearest £1,000, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards ("adopted IFRS") in conformity with the requirements of the Companies Act 2006.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgements in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 4.

The company financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The financial statements of Newable Partnership Limited as a standalone entity have been prepared on the going concern basis following receipt of confirmation from the entity's subsidiary undertaking to whom it owes money that they will not seek repayment until the company is in a financial position to repay such amounts.

3. Basis of preparation (continued)

In preparing the company financial statements, Newable Partnership Limited has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, the company financial statements do not include:

- certain comparative information as otherwise required by IFRS as adopted for use in the United Kingdom;
- certain disclosures regarding the company’s capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Newable UK Holdings Limited.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Newable Partnership Limited. These company financial statements do not include certain disclosures in respect of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Impairment of assets.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Financial instruments – fair value through profit or loss investments
- Contingent consideration
- Business combinations
- Long-term incentive plan (“LTIP”)

Going concern

In carrying out their duties in respect of going concern, the Directors have reviewed the Group’s forecast cashflows, liquidity (including investments), borrowing facilities and related covenants and the forecasted operational activities of the Group. This included an assessment of the impact of the Group’s specific principal risks and economic uncertainties brought about by both domestic and global events.

Forecasts have been prepared and sensitised under a range of scenarios, factoring in the impact of the UK’s current financial outlook including the predicted rise in the UK base rate of interest. These forecasts also included the cashflows for the post-year end potential acquisitions and sale of investments.

3. Basis of preparation (continued)

The sensitised forecasts demonstrate that the Group has sufficient cash reserves, other liquid assets and available headroom under its borrowing facilities to remain in compliance with its financial covenants for a period of at least 12 months from the date of signing these financial statements.

The Directors have applied due scrutiny to the forecasts and are satisfied that reasonable assumptions have been made for the going concern opinion.

As such, the Directors believe that the Group is well placed to manage its financing and other business risks satisfactorily and have an expectation that the Group will have adequate resources to continue to operate for the foreseeable future. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Changes in accounting policies

New standards, interpretations and amendments effective from 1 January 2023

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1);
- Definition of Accounting Estimates (Amendments to IAS 8);
- Deferred Tax (Amendments to IAS 12).

The Directors have reviewed the impact of these new accounting standards and amendments and do not expect them to have a material impact on the group.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2024:

- Disclosure of Accounting Policies (Amendments to IAS 1);
- Liability in a Sale and Leaseback (Amendments to IFRS 16).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, the effective date was deferred to annual reporting periods beginning on or after 1 January 2024.

The Directors are currently assessing the impact of these new accounting standards and amendments and do not expect them to have a material impact on the group.

3. Basis of preparation (continued)

Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In these instances, the investee is classified as an associate. In determining whether de-facto control exists, the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance

4. Summary of significant accounting policies

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed 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 acquisition 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 on which control ceases.

Non-controlling interests

For business combinations, the Group has the choice, on a transaction-by-transaction basis, to initially recognise any non-controlling interest in the acquiree, which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value.

The group has not elected to take the option to use fair value in acquisitions completed to date. The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests. In accordance with the transitional requirements of IAS 27 (2008), the carrying value of non-controlling interests at the effective date of the amendment has not been restated.

4. Summary of significant accounting policies (continued)

Interests in joint ventures and associates are accounted for using the equity method, after initially being recognised at cost in the Consolidated Statement of Financial Position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity-accounted investments is tested for impairment.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Detailed disclosure of discontinued operations is presented in the Consolidated Statement of Profit and Loss in a section distinct from continuing operations.

Foreign currency

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the Balance Sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the Consolidated Statement of Profit and Loss.

Revenue recognition

The Group adopted IFRS 15 from 1 April 2018. The standard sets out the requirements for recognising revenue from contracts with customers. Companies are required to apportion revenue earned from contracts to performance obligations and determine the appropriate timing method of revenue recognition, using a five-step model. Management applies judgement, based on knowledge and experience, in determining when these present obligations are met.

In accordance with IFRS 15, variable consideration is recorded at the amount the Group expects to receive (net of discounts/rebates).

4. Summary of significant accounting policies (continued)

A proportion of Group income is outside the scope of IFRS 15 – this includes rental income, interest income and arrangement fees from the provision of finance, and publicly funded grant schemes and contracts.

Revenue is stated exclusive of intra-group transactions, VAT and other taxes. Where not detailed below, revenue is recognised when performance obligations specified in client contracts are met, or the agreed service of advice has been delivered.

Contract assets and contract liabilities are measured at amortised cost.

Money

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition. Arrangement fees associated with loans are amortised over the life of the loan.

Brokerage fee revenues are earned when invoice for the service provided to our client has been issued and so recognised at a point in time.

Investment revenues can be recognised at a point in time - when investments are received or made - or over a period of time to which they relate - for management and monitoring of investments.

Revenues from the car leasing business, Synergy Automotive Limited, are recognised on delivery of vehicles at a point in time.

Revenues from the manufacturing businesses are recognised at a point in time: Arc Building Solutions Limited and Weldfast UK Limited on despatch of goods; J C Atkinson and Son Limited on the delivery of goods and London Fire Solutions Limited over time, on the installation of goods supplied.

Commercial Maintenance Services UK Limited recognises revenue at a point in time on completion of the service being provided.

Advice

The core revenues from the provision of international trade advice are recognised when costs in delivering the service are incurred in the year. Incentive income is recognised for meeting additional performance targets by the end of the financial year and clawback is provided for if core performance targets are not met by the end of the financial year. Revenues from the provision of other trade advice are recognised when outputs are delivered, and the provision of this advice has been confirmed by the client and evidenced as such.

Where advice is funded via grants from governing bodies, these contracts often have performance targets attached to the contract, yet the contract value is based on costs incurred in delivering the contract. Revenue is recognised when costs are incurred, subject to confidence that performance targets will be met. Should performance targets not be met by some margin there is a potential

4. Summary of significant accounting policies (continued)

reduction in contract value. Should management believe there is a material risk they would not be met by a level sufficient to trigger a potential reduction in contract value, a contract reduction plan would be implemented.

Workspace

Rent receivable is recognised on a straight-line basis over the period of the lease.

Revenues from managed service offices are recognised over time in the period to which they relate.

Alternative Performance Measures

In reporting financial information, the Group presents Alternative Performance Measures (“APMs”), which are not defined or specified under the requirements of IFRS. The Group believes that the presentation of APMs provides stakeholders with additional helpful information on the performance of the business but does not consider them to be a substitute for or superior to IFRS measures. APMs are also used to enhance the comparability of information between reporting periods, by adjusting for uncontrollable factors, which affect IFRS measures, to aid users in understanding the Group’s performance. Within the period, the Group has two APMs, Earnings Before Interest Taxation Depreciation and Amortisation (“EBITDA”) and Adjusted Earnings Before Interest Taxation Depreciation and Amortisation (“Adjusted EBITDA”), which exclude adjusted items. Adjusted items include costs or revenues, which due to their size and incidence require separate disclosure in the financial statements to reflect management’s view of the underlying performance of the Group and allow comparability of performance from one period to another. Items include movement in Long Term Incentive Plan Provision and the Deferred Consideration Acquisition Provision.

EBITDA represents the profit/(loss) before tax for the period before finance income, finance cost, amortisation and depreciation; Adjusted EBITDA represents EBITDA adjusted for the provision movements mentioned above. These measures are used by the Directors for the purpose of resource allocation and assessment of segment performance.

Employee benefits

In March 2023 the Company established a Company Share Option Plan (“CSOP”) which provides qualifying employees with share options. The share options granted by the Company give the holder the right to buy shares from the Company at a date in the future at an agreed price (exercise price). The holder of the options has no voting rights or rights to dividends in respect of the options. Only when the shares have been bought will the holder have the voting and dividend rights attaching to those shares.

The Group operates a long-term incentive plan (“LTIP”) for eligible senior employees until 31 March 2025. The LTIP is a scheme that can award up to 15% of the issued share capital of the Company’s subsidiary Newable Office Space Limited in the form of A ordinary shares and B ordinary shares. These A and B ordinary shares have no voting rights and no entitlement to dividend or capital distribution (including on winding up).

Under the rules of the LTIP, Newable UK Holdings Limited – a subsidiary of the Company - may repurchase 50% of the ordinary shares repurchased held by participants as at 31 March 2024, with

4. Summary of significant accounting policies (continued)

the remaining 50% of ordinary shares repurchased, that are still held by participating members of staff, as at 31 March 2025.

The projected valuation of the LTIP is calculated annually, with the related gain or loss being recognised in profit or loss each year, and the liability spread over the service period until it is fully recorded at each repurchase date.

Property, plant and equipment

Items of plant and equipment are initially recognised at cost. Costs comprise purchase cost and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on all items of property, plant and equipment and the cost is written off over their expected useful economic lives. It is applied at the following rates:

Fixtures and fittings	13-33% per annum straight line.
Computer equipment	25-33% per annum straight line.
Leasehold improvements	straight line over lease term.
Leasehold buildings	20% per annum straight line.
Motor vehicles	25% on written down value.

Investment in subsidiary undertakings

Investments by the Company in the shares or net assets of subsidiary undertakings are stated at cost less any provisions where, in the opinion of the Directors, there has been impairment in the value of any such investment.

Intangible assets

Intangible assets, with the exception of goodwill, are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets identified and their associated useful economic lives are as follows:

Brand	5-10 years
Customer contracts	5 years
Customer relations	5-10 years
Client relations	5 years
Software	2-8 years

The value of intangible assets recognised on business combinations is calculated using estimated discounted cash flow.

Goodwill is subject to an annual impairment review. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

4. Summary of significant accounting policies (continued)

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Consolidated Statement of Comprehensive Income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the Consolidated Statement of Profit and Loss on the acquisition date.

Impairment of non-financial assets

Non-financial assets are subject to annual impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e., the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e., the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows). Goodwill is allocated on initial recognition to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in the Statement of Comprehensive Income, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price less costs to complete the sale.

Investment in joint ventures and associates

When the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Financial assets

The Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

4. Summary of significant accounting policies (continued)

Amortised cost: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g., trade receivables and loan receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During the process the probability of the non-payment of the receivable is assessed. This probability is then multiplied by the amount of the expected loss resulting from default to determine the lifetime expected credit loss for the receivables. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Impairment provisions are shown net of any insurance or guarantees in place in respect of the loans made to third party customers.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in the credit risk since the initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which the credit risk has increased significantly, lifetime expected credit losses along with gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost consist of trade and other receivables, loans and receivables, and cash and cash equivalents in the Consolidated Statement of Financial Position.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Consolidated Statement of Financial Position.

Fair value through profit or loss: These include non-derivative financial assets not included in the above categories and comprise principally the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of profit and loss in the increase in fair value/impairment of owned assets line.

Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in profit or loss.

On sale, any cumulative gain or loss is recognised in profit or loss.

4. Summary of significant accounting policies (continued)

Other investments

Investments other than investments in subsidiaries are classified as either held for trading or not at initial recognition. At the year-end date, all investments are classified as not held for trading. An irrevocable election has been made to recognise changes in fair value in the profit and loss account.

Financial liabilities

The Group only has financial liabilities that are recognised at amortised cost, these include:

- Trade payables and other monetary liabilities, which are recognised at amortised cost using the effective interest rate method.
- Bank borrowings, including floating rate bank loans, which initially are recognised at the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Balance Sheet. 'Interest expense' in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Retirement benefits: Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the Statement of Profit and Loss in the year to which they relate.

Provisions

The Group has recognised provisions for liabilities of uncertain timing, onerous leases and dilapidations. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Balance Sheet differs to its tax base, except for differences arising on:

- the initial recognition of goodwill arising on business acquisitions;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

4. Summary of significant accounting policies (continued)

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group Company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Leased assets

Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for its lease obligations. The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities.

The depreciation charge is recognised in the Consolidated Statement of Profit and Loss and is calculated over the lease term on a straight-line basis from the commencement date of the lease. Lease liabilities are met by repayment of lease rentals during the lease term.

5. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of loan and other receivables

The Group regularly assesses the recoverability of its loan and other receivables for evidence of impairment. This assessment involves judgement in respect of the credit quality of counterparties and the quality of security provided to the Group.

(b) Impairment of goodwill

The Group carries out an annual review to assess whether goodwill has suffered any impairment. An asset is impaired if its carrying amount exceeds its recoverable amount. The recoverable amount is defined as the higher of its value in use and fair value less costs to sell (see note 16). Assumptions used in arriving at these estimates can be highly judgemental.

The Group exercises judgement in assessing the cash generating units (“CGUs”).

5. Critical accounting estimates and judgements (continued)

(c) Discounting of preference shares and loan notes

Management exercises judgement in determining the appropriate interest rates and period in calculating the net present value of the Company’s preference shares and relevant loan notes.

Management has applied judgements in the acquisition date, and period end, valuation of this debtor and has used a net present value model applied to the expected future cash flows to determine appropriate values.

There are several assumptions in estimating the present value of future cash flows including management’s expectation of future receipt and discount rates.

(d) Employee benefits

Following an agreed methodology, management exercises judgement in assessing the fair value of the long-term incentive plan scheme, available to eligible senior employees, during the vesting period.

This projects forecast earnings and asset values to March 2025 (the end of the LTIP period) and then applies the LTIP’s valuation metrics (discounted to a net present value) to give an estimated value of the liability relating to potential LTIP payments to participants. These forward-looking projections are prepared annually with the estimated liability adjusted as required.

(e) Investment in associates and joint ventures

The Group is required to demonstrate significant influence to demonstrate its accounting treatment of its interests in its associate and joint venture, Barnsley Business and Innovation Centre Limited.

(f) Leases – determination of the appropriate rate to discount the lease payments

The Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date when the rate implicit in the lease cannot be readily determined. The calculation of the incremental borrowing rate involves estimation and consideration is given to bank borrowing rates, the asset type and lease term.

(g) Business acquisitions

Management exercises judgement in assessing the value of potential business acquisitions. This involves exercising knowledge and experience in evaluating purchase price allocation, cash generating units and deferred consideration.

6. Revenue

The Group's revenue is disaggregated in to the three key business activities provided, as illustrated in the table below, with key revenue streams, which the Directors believe best depict the nature of our revenue.

Group	2023			
	Money £000	Advice £000	Workspace £000	Total £000
<i>Revenues subject to IFRS 15</i>				
International trade advice				
Brokerage fees	1,238	-	406	1,644
Investment revenues	43	-	-	43
Managed serviced office revenues	-	-	2,677	2,677
IT and administrative services	620	78	-	698
Provision of building supplies	3,705	-	-	3,705
Manufacturing	15,603	-	-	15,603
	21,209	78	3,083	24,370
<i>Other revenues</i>				
Advice funded by government body grants	-	3,049	-	3,049
Finance income – provision of loans	652	-	-	652
	652	3,049	-	3,701
	21,861	3,127	3,083	28,071

Brokerage fees of £1,238,000 in the table above, which is part of revenue subject to IFRS 15 in the Money business activity, includes revenue of £911,000 from discontinued operations.

Group	2023			
	Money £000	Advice £000	Workspace £000	Total £000
<i>Timing of IFRS 15 revenues</i>				
Point in time	17,968	-	-	17,968
Over time	3,241	78	3,083	6,402
	21,209	78	3,083	24,370

Point in time revenue of £17,968,000 from the Money business activity in the table above includes revenue of £911,000 from discontinued operations.

6. Revenue (continued)

Contract balances

Group	Contract Assets 2023 £000	Contract Liabilities 2023 £000
At 14 September 2022	-	-
Acquired through business combinations		
- Advice	2,611	(366)
- Money	1,714	(103)
- Workspace	1,769	(40)
Transfer in the period from contract assets to trade receivables:		
- Advice	(17)	-
- Money	(1,433)	-
- Workspace	(1,769)	-
Claims received from government body grants:		
- Advice	(2,338)	-
Claims generated against government body grants		
- Advice	-	-
Excess of revenue recognised over cash		
- Advice	55	-
- Money	4,360	-
- Workspace	524	-
Amounts included in contract liabilities that was recognised as revenue during the period:		
- Advice	-	20
- Money	-	47
- Workspace	-	40
Cash received in advance of performance and not recognised as revenue during the period:		
- Advice	-	(43)
- Money	-	(44)
- Workspace	-	(18)
	5,476	(507)

7. Deferred consideration

Group	2023 £000
Movement in deferred consideration acquisition provision	(1,323)

The acquisition of Newable UK Holdings Limited included 51% ownership of its subsidiary Synergy Automotive Limited, a car leasing business, with an obligation to acquire the remaining 49% at a future date. During the period, the present value of the contingent consideration in relation to these remaining shares has increased by £1,323,000 which has been expensed to the Consolidated Statement of Profit and Loss.

8. Expenses by nature

Group	2023 £000
Staff costs (note 9)	6,028
Amortisation of right-of-use assets (note 13)	801
Amortisation of intangible assets (note 15)	530
Depreciation (note 12)	567
Impairment of land and buildings (note 12)	145
Auditors' remuneration – for the audit of the Group and company	353
Auditors' remuneration – for the audit of subsidiaries (Newable Office Space Limited and Dancerace Plc)	102
Auditors' remuneration – for non-audit services	15

9. Employee benefit expenses

	2023 £000
Wages and salaries	5,374
Social security costs	472
Pension costs - defined contribution schemes	182
Total staff costs	6,028

Average numbers of staff during the year were as follows:

Group	2023 Number
Advice	110
Workspace	191
Money	727
Management Services	51
	1,079

Staff employed by Newable UK Holdings Limited (the immediate subsidiary of Newable Partnership Limited) total 173, which recharges employee costs to its subsidiaries. Therefore, there are no employee expenses in the company. Other staff are employed and paid by the company's other subsidiaries, with the associated costs expensed in these subsidiaries.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and have been identified as the Directors of the company listed on page 15.

	2023 £000
Salary and bonuses	281
Defined contribution pension cost	10
	291

Directors' emoluments represent amounts due during the period.

As at 31 March 2023 there were 3 Directors in the Group's defined contribution pension scheme.

The highest paid director emoluments receivable was £81,300 during the period.

10. Finance income and expense

Recognised in profit or loss

Group	2023 £000
Finance income	
Interest received on bank deposits	-
Other interest received	296
	296
Group	2023 £000
Finance expense	
Interest payable on borrowings and similar costs	676
Interest expense on lease liabilities	189
Unwinding of discount on preference shares	392
Unwinding of discount on loan notes	16
	1,273
Net finance expense recognised in profit or loss	977

Finance income relates to financial assets classified as loans and receivables. Finance expense relates to financial liabilities classified as financial liabilities measured at amortised cost.

11. Taxation

Analysis of taxation expense in the year:

	2023 £000
<i>Current tax expense / (credit)</i>	
UK corporation tax on profits for the period	297
Adjustments in respect of prior periods	(44)
Total current taxation expense	253
<i>Deferred tax expense / (credit)</i>	
Origination and reversal of temporary differences	(401)
Adjustments in respect of previous periods	534
Effect of tax rate change	(98)
Total deferred tax expense	35
Total taxation expense	288

11. Taxation (continued)

The reasons for the difference between the actual tax expense for the period and the standard rate of corporation tax in the UK applied to profits for the period are as follows:

	2023 £000
Loss on ordinary activities before taxation	(3,878)
Expected tax credit based on the standard rate of corporation tax in the UK of 19%	(737)
Net expenses not allowable for tax purposes	641
Adjustment in respect of prior years	446
Permanent differences	24
Other timing differences	(86)
Total taxation expense	288

12. Property, plant and equipment

Group	Freehold land and buildings £000	Leasehold improvements £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost					
At 14 September 2022	-	-	-	-	-
Acquisitions through business combinations	729	2,930	4,540	830	9,029
Additions	-	236	896	202	1,334
Disposals	-	(83)	(149)	-	(232)
Assets classified as held for sale	-	(4)	(16)	-	(20)
At 31 March 2023	729	3,079	5,271	1,032	10,111
Accumulated depreciation and impairment					
At 14 September 2022	-	-	-	-	-
Charge for the period	-	161	367	39	567
Impairment loss	145	-	-	-	145
Disposals	-	(14)	(133)	-	(147)
At 31 March 2023	145	147	234	39	565
Net book value					
At 31 March 2023	584	2,932	5,037	993	9,546

13. Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets;
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised. Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
 - lease payments made at or before commencement of the lease;
 - initial direct costs incurred; and
 - the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations – see note 26).

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

13. Leases (continued)

- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e., it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Right-of-use assets

Group	Land and buildings £000	Plant, machinery & vehicles £000	Total £000
Cost			
At 14 September 2022	-	-	-
Acquisitions through business combinations	22,668	1,239	23,907
Additions	-	-	-
Amortisation	(699)	(102)	(801)
At 31 March 2023	21,969	1,137	23,106

Company	Land and buildings £000	Plant, machinery & vehicles £000	Total £000
Cost			
At 14 September 2022	-	-	-
Acquisitions through business combinations	2,506	-	2,506
Additions	-	-	-
Amortisation	(99)	-	(99)
At 31 March 2023	2,407	-	2,407

13. Leases (continued)

Lease liabilities

Group	Land and buildings £000	Plant, machinery & vehicles £000	Total £000
Cost			
At 14 September 2022	-	-	-
Acquisitions through business combinations	22,668	1,239	23,907
Additions	-	-	-
Interest expense	176w	13	189
Lease payments	(587)	(110)	(697)
At 31 March 2023	22,257	1,142	23,399

Lease liabilities

Company	Land and buildings £000	Plant, machinery & vehicles £000	Total £000
Cost			
At 14 September 2022	-	-	-
Acquisitions through business combinations	2,506	-	2,506
Additions	-	-	-
Interest expense	19	-	19
Lease payments	-	-	-
At 31 March 2023	2,525	-	2,525

Group	Less than 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	More than 5 years £000
Lease liabilities				
At 31 March 2023	4,577	3,827	8,240	6,755

Company	Less than 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	More than 5 years £000
Lease liabilities				
At 31 March 2023	691	604	1,230	-

14. Investments

Company	2023 £000
Investment in subsidiary undertakings	
Net Book Value at 14 September 2022	-
Acquisitions	84,205
Discounting	(19,584)
Net Book Value at 31 March 2023	64,621

The Company's subsidiaries are listed in note 17 of the Financial Statements.

15. Intangible assets

Group	Brands £000	Customer Contracts £000	Customer Relations £000	Software £000	Goodwill (note 16) £000	Total £000
Cost or valuation						
At 14 September 2022	-	-	-	-	-	-
Additions acquired through business combinations	2,488	28	14,186	1,170	8,501	26,373
Reclassification (see note 22)	639	-	-	-	32,089	32,728
Additions	-	-	-	232	-	232
At 31 March 2023	3,127	28	14,186	1,402	40,590	59,333
Accumulated amortisation and impairment						
At 14 September 2022	-	-	-	-	-	-
Amortisation charge	42	1	276	211	-	530
At 31 March 2023	42	1	276	211	-	530
At 31 March 2023	3,085	27	13,910	1,191	40,590	58,803

During the period, Newable Partnership Limited acquired Newable UK Holdings Limited and its subsidiaries for total consideration of £84.5 million of which £7.6 million has been attributed to goodwill (see note 1). Assets held for sale on acquisition have been reclassified at period end generating a further £0.6 million of brands and £32.1m goodwill (see note 22).

15. Intangible assets (continued)

The group amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

- Brand – 10 years
- Customer Contracts – 10 years
- Customer Relations – 5-10 years
- Software – 8 years

The impairment review carried out on 31 March 2023 determined that none of the intangible assets required impairment (see note 16).

16. Goodwill and impairment

Newable is required to test whether goodwill has suffered any impairment, which it calculates at the end of its financial year. An asset is impaired if its carrying amount exceeds its recoverable amount. The recoverable amount is defined as the higher of its value in use and fair value less cost to sell.

Group				
	Value at acquisition (see note 15)	Cost to sell	Recoverable amount of intangible assets	Carrying amount of intangible assets (see note 15)
CGU	£000	£000	£000	£000
Managed service and leasehold properties	5,487	(33)	5,454	5,416
Office space broking	2,202	(13)	2,189	2,176
Manufacture of specialist cavity fire barriers	32,732	(199)	32,533	32,732
Broking services	399	(2)	397	399
Lending	1,512	(9)	1,503	1,503
Supply of coffins, caskets and related products	969	(6)	963	940
Provision of advice to SMEs	2,541	(15)	2,526	2,481
Manufacture of passive fire protection	1,744	(11)	1,733	1,736
Supply and maintenance of software	5,222	(32)	5,190	5,215
Supply of welding and cutting equipment	3,535	(21)	3,514	3,484
Provision of gas and mechanical services	2,736	(17)	2,719	2,699
Other	22	-	22	22
Total	59,101	(358)	58,743	58,803

16. Goodwill and impairment (continued)

The recoverable amount is calculated as the intangible asset prior to amortisation less cost of sales. Management considers the cost of the acquisition of Newable UK Holdings Limited as an appropriate estimation of cost of sale, given the proximity of the transaction to the period end date.

Management considers the carrying amount of intangible assets to be materially equal to the recoverable amount so judge that no impairment is necessary.

The carrying amount of goodwill is allocated to the following cash generating units (CGUs):

Group CGU	2023 £000
Managed service and leasehold properties	1,182
Office space broking	1,380
Manufacture of specialist cavity fire barriers	32,089
Broking services	399
Lending	1,149
Supply of coffins, caskets and related products	31
Provision of advice to SMEs	780
Manufacture of passive fire protection	161
Supply and maintenance of software	2,529
Supply of welding and cutting equipment	335
Provision of gas and mechanical services	555
Total (note 15)	40,590

17. Subsidiaries

The subsidiaries and joint ventures of Newable Partnership Limited, all of which are incorporated and registered in England and Wales and have been included in these consolidated financial statements, are as follows:

Name of company	Nature of business	Percentage of ownership interest at 31 March 2023
Newable Trade (London) Limited	Administrative company	100
Newable Trade (South East) Limited	Administrative company	100
Winning Pitch Trading Limited	Administrative company	100
Newable Enterprise Partners Limited	Consultancy services company	100
Newable International Consulting Limited	Consultancy services company	100
Newable Commercial Finance Limited	Credit brokerage services company	100
Newable Alfreds Way Limited	Development property company	100
Newable CMW Limited	Development property company	100
Newable Commercial Property Limited	Development property company	100
Newable Property Developments Limited	Development property company	100
Newable Victoria Road Limited	Development property company	100
Ask Officio Holdings Limited	Holding company	100
Newable Atkinson Limited	Holding company	100
Newable Capital Group Limited	Holding company	100
Newable Contracts Holdings Limited	Holding company	100
Newable CMS Limited	Holding company	69*
Newable Dancerace Limited	Holding company	74*
Newable Equity Limited	Holding company	100
Newable Lending Limited	Holding company	100
Newable Niagara Limited	Holding company	94*
Newable Office Space Limited	Holding company	100
Newable UK Holdings Limited	Holding company	100
Newable Weldfast Limited	Holding company	75*
Newflex Holdings Limited	Holding company	100
Winning Pitch Limited	Holding company	100
Newable Capital Limited	Investment company	100
Newable Investments Limited	Investment company	100
Newable Private Equity Limited	Investment company	100
Newable Private Investing Limited	Investment company	100
Newable Ventures Limited	Investment company	100
Newable Properties Limited	Investment property company	100
Waterfront Studios Limited	Investment property company	100

17. Subsidiaries (continued)

Name of company	Nature of business	Percentage of ownership interest at 31 March 2023
Newable Digital Limited	IT services company	100
Newable Business Finance Limited	Loans company	100
Newable Business Loans Limited	Loans company	100
Newable Lending for Growth Limited	Loans company	100
Barnsley Business and Innovation Centre Limited	Managed business centres	50*
Bold Tech Ventures Limited	Managed business centres	60*
Newflex Leases Limited	Managed business centres	100
Newflex Special Leases Limited	Managed business centres	100
Newflex Limited	Managed business centres	100
Fredericks Events Limited	Management services company	100
Newable Events Limited	Management services company	100
Newable Management Services Limited	Management services company	100
Official Space Limited	Property agency	100
AOH Workspace Limited	Property rental broker	100
Ask Officio UK Limited	Property rental broker	100
Ask Officio Group Limited	Property services	100
Synergy Automotive Limited	Vehicle leasing	51*
Arc Building Solutions Limited	Manufacture of specialist building supplies	85*
London Fire Solutions Limited	Manufacture of specialist fire doors and screening	60*
J. C. Atkinson and Son Limited	Manufacture of funeral products	100
Weldfast (UK) Limited	Manufacture & provision of welding supplies	75*
CMS Holdings UK Limited	Provision of commercial mechanical services	69*
Commercial Maintenance Services UK Limited	Provision of commercial mechanical services	69*
Advantage Utilities Services Limited	Provision of commercial mechanical services	36*
Dancerace Plc	Software company	74*
Newable LLF Limited	Dormant company	100
Newable RGF Limited	Dormant company	100
London Seed Capital Limited	Dormant company	100
Angels in Medcity Limited	Dormant company	100
Citib@se Limited	Dormant company	100
PIF GP No 1 Limited	Dormant company	100
PIF GP No 2 Limited	Dormant company	100

17. Subsidiaries (continued)

Name of company	Nature of business	Percentage of ownership interest at 31 March 2023
PIF GP No 3 Limited	Dormant company	100
PIF GP No 4 Limited	Dormant company	100
PIF GP No 7 Limited	Dormant company	100
Leeds Enterprise Limited	Dormant company	100
Newable Yorkshire (Holdings) Limited	Dormant company	100
Citibase Limited	Dormant company	100
Citybase Limited	Dormant company	100
Freedom Business Centres Limited	Dormant company	100
London Business Angels Limited	Dormant company	100
Newable Business Villages Limited	Dormant company	100
Newable Exemplas Trade Services Limited	Dormant company	50*
Pop-Up Business Centres Limited	Dormant company	100
Pop-Up Serviced Offices Limited	Dormant company	100
Newable Lending For Growth 2 Limited	Dissolved 18 April 2023	100
Newable Baird Road Limited	Dissolved 9 May 2023	100
PW Asset Finance Limited	Dissolved 20 June 2023	100
PW Group Holdings Limited	Dissolved 20 June 2023	100
PW Growth Finance Limited	Dissolved 20 June 2023	100
Enterprise London Limited	Dissolved 20 June 2023	100

The registered address of Barnsley Business and Innovation Centre Limited is Innovation Way, Wilthorpe, Barnsley, South Yorkshire, S75 1JL; Arc Building Solutions Limited is Unit J, Gildersome Spur, Leeds, West Yorkshire, LS27 7JZ; J C Atkinson and Son Limited is Sedling Road, Washington, Tyne and Wear, NE38 9BZ; Dancerace Plc has a registered address of Riverside South Walcot Yard, Walcot Street, Bath, BA1 5BG; Weldfast (UK) Limited has a registered address of Speedwell Road Parkhouse Industrial Estate East, Chesterton, Newcastle, Staffordshire, ST5 7RG; CMS Holdings UK Limited, Commercial Maintenance Services UK Limited and Advantage Utilities Services Limited has a registered office at Tyne House, Temple Street, Felling, Tyne & Wear, NE10 0HN. All other entities listed above have a registered address of 140 Aldersgate Street, London, EC1A 4HY.

All subsidiaries and joint ventures, except for Newable UK Holdings Limited, are indirect shareholdings of Newable Partnership Limited.

* Barnsley Business and Innovation Centre Limited and Newable Exemplas Trade Services Limited have non-controlling interests of 50%, which represents 50% voting rights. Synergy Automotive Limited has a non-controlling interest of 49%, which represents 49% voting rights; Bold Tech Ventures Limited 40%, which represents 40% voting rights; Arc Building Solutions Limited 15%, which represents 15% voting rights; London Fire Solutions Limited 40%, which represents

17. Subsidiaries (continued)

40% voting rights; Newable Weldfast Limited and Weldfast UK Limited 25%, which represents 25% voting rights; Newable Dancerace Limited and Dancerace Plc 26%, which represents 26% voting rights; Newable Niagara Limited 6%, which represents 6% voting rights; Newable CMS Limited, CMS Holdings UK Limited and Commercial Maintenance Services UK Limited 31% which represents 31% voting rights; and Advantage Utilities Services Limited 64% which represents 64% voting rights.

In accordance with s479 of the Companies Act, Newable Partnership Limited has given a parent company guarantee under s479A of the Act to the following subsidiaries: AOH Workspace Limited, Ask Officio Group Limited, Ask Officio UK Limited, Bold Tech Ventures Limited, Fredericks Events Limited, Newable Alfreds Way Limited, Newable Atkinson Limited, Newable Business Finance Limited, Newable Capital Limited, Newable Capital Group Limited, Newable CMS Limited, Newable CMW Limited, Newable Commercial Property Limited, Newable Contracts Holdings Limited, Newable Dancerace Limited, Newable Digital Limited, Newable Equity Limited, Newable Events Limited, Newable International Consulting Limited, Newable Investments Limited, Newable Lending For Growth Limited, Newable Lending Limited, Newable Management Services Limited, Newable Niagara Limited, Newable Private Investing Limited, Newable Properties Limited, Newable Property Developments Limited, Newable Trade (London) Limited, Newable Trade (South East) Limited, Newable Victoria Road Limited, Newable Weldfast Limited, Newflex Holdings Limited, Newflex Special Leases Limited, Official Space Limited, Winning Pitch Limited, Winning Pitch Trading Limited and Waterfront Studios Limited.

Accordingly, these subsidiaries are exempt from the requirements of the Act relating to auditing of individual company accounts for the year ended 31 March 2023.

Newable Enterprise Partners Limited is one of two members of Barnsley Business and Innovation Centre Limited, a company limited by guarantee.

18. Joint ventures

Barnsley Business and Innovation Centre Limited

The Group also has a 50% interest in a joint venture, Barnsley Business and Innovation Centre Limited, a company incorporated and operating in the United Kingdom. Barnsley Business and Innovation Centre Limited owns a property, which was revalued to its fair value at 31 March 2023.

Group share of net assets	2023 £000
Barnsley Business and Innovation Centre Limited	3,410
Group share of total comprehensive income	2023 £000
Barnsley Business and Innovation Centre Limited	(326)

18. Joint ventures (continued)

As at 31 March

Group	2023 £000
Current assets	524
Non-current assets	6,461
Current liabilities	(358)
Non-current liabilities	(807)
Net assets (100%)	5,820
Joint venture net assets (50%)	2,910
Investment in joint venture	500
	3,410
	2023 £000
Revenue	191
Loss from continuing operations	(652)
Total comprehensive expense (100%)	(652)
Group share of total comprehensive income (50%)	(326)
Included in the above amounts are:	
Depreciation	17
Staff costs	440

19. Non-controlling interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group.

Group	Bold Tech Ventures Ltd 31 March 2023 £000	London Fire Solutions Ltd 31 March 2023 £000	Newable Weldfast Ltd 31 March 2023 £000	Newable CMS Ltd 31 March 2023 £000
Acquired through business combinations	(87)	202	317	132
Non-controlling interest for the period	(5)	34	71	(18)
Accumulated NCI	(92)	236	388	114

19. Non-controlling interests (continued)

Group	Bold Tech Ventures Ltd 31 March 2023 £000	London Fire Solutions Ltd 31 March 2023 £000	Newable Weldfast Ltd 31 March 2023 £000	Newable CMS Ltd 31 March 2023 £000
Revenue	-	3,336	4,191	4,338
Cost of sales	-	(2,558)	(3,014)	(2,622)
Administrative expenses	(12)	(661)	(735)	(1,612)
Profit before taxation	(12)	84	340	(57)
Taxation	-	-	(56)	-
Profit after taxation	(12)	84	284	(57)
Non-controlling interest	(5)	34	71	(18)

20. Fair value through profit or loss investments

Group	£000
Additions acquired through business combinations	544
Additions/(disposals)	26
Revaluation	(29)
At 31 March 2023	541
	2023 £000
Equity securities (quoted)	-
Managed funds (unquoted)	541
	541

The fair value of quoted securities is based on published market prices at year-end. The fair values of the unquoted securities are valued in accordance with valuations where available. Where market valuations are not available, an alternative valuation methodology is used. For example, in accordance with the European Venture Capital Association Guidelines, where the range of fair values derived by applying a valuation model is significant and the probabilities of the various estimates cannot be reasonably assessed, the investment is carried at cost. A fair value hierarchy of 1 is attributed to the quoted securities. A fair value hierarchy of 3 is attributed to the unquoted managed funds, as there are a significant number of unobservable inputs used to determine the fair value of unquoted securities. Changes in levels are analysed at each reporting date by the Board of Directors.

21. Inventories

Group	2023 £000
Raw materials and consumables	1,396
Work in progress	64
Finished goods and goods for resale	7,925
	<u>9,385</u>

22. Assets classified as held for sale

The acquisition of Newable UK Holdings Limited in January 2023 included a manufacturing business of specialist cavity fire barriers (Arc Building Solutions Limited) that was valued at £26.4m and qualified as a held for sale asset. By March 2023 the criteria of a held for sale asset were no longer met (see note 32) so the business was reclassified in the Consolidated Statement of Financial Position accordingly.

	2023 £000
Synergy Automotive Limited	10,997
Arc Building Solutions Limited	26,400
Held for sale assets acquired on business combinations (see note 1)	37,397
Reclassification of Arc Building Solutions Limited	
Non-current assets	(682)
Current assets	(10,953)
Current liabilities	15,251
Non-current liabilities	2,712
Intangible assets – brands (see note 15)	(639)
Intangible assets – goodwill (see note 15)	(32,089)
	<u>10,997</u>

At the time of reporting management had not yet completed the assessment of the intangibles to be recognised in relation to the de-recognition of Arc Building Solutions Limited as being held for sale at the year end. The allocation shown in these financial statements is therefore provisional in accordance with IFRS 3 and will be finalised in the forthcoming period once all information is available and the analysis has been completed.

22. Assets classified as held for sale (continued)

During the period management decided to market for sale its car leasing business, Synergy Automotive Limited, a 51% owned subsidiary. It was management's intention at 31 March 2023 to sell this subsidiary within the next 12 months but this is no longer the case and the business is likely to be reclassified at next year-end.

Synergy Automotive Limited	2023 £000
Non-current assets	141
Current assets	3,435
Current liabilities	(1,125)
Non-current liabilities	(6)
Total net assets	2,445
	<u>£000</u>
Net assets	2,445
Revaluation to fair value	8,552
	<u>10,997</u>

The financial performance of Synergy Automotive Limited has been recorded as a discontinued operation in the statement of profit and loss.

23. Trade and other receivables

	Group	Company
Loan receivables	8,753	-
Amounts due from subsidiary undertakings	-	128
Trade receivables	27,116	-
Less: provision for expected credit loss on receivables	(1,969)	-
Total financial assets other than cash and cash equivalents classified as loans and receivables	33,900	128
Other receivables	6,551	-
Prepayments	5,438	-
Contract assets	5,476	-
Total trade and other receivables	51,365	128
Less: non-current portion	(2,443)	-
Current portion	48,922	128

23. Trade and other receivables (continued)

At 31 March 2023, the lifetime expected credit loss provision for loan, trade and other receivables is as follows:

Group 31 March 2023	Current	More than 90 days past due	More than 180 days past due	Total £000
Expected loss rate	1%	2%	41%	5%
Gross carrying amount	26,276	6,055	3,538	35,869
Loss provision	391	123	1,455	1,969

As at 31 March 2023 loan receivables of £392,000 were past due and fully impaired.

Company 31 March 2023	Current	More than 90 days past due	More than 180 days past due	Total £000
Expected loss rate	0%	0%	0%	0%
Gross carrying amount	128	-	-	128
Loss provision	-	-	-	-

Management considers both qualitative and quantitative data when assessing if a receivable balance is impaired, such as due diligence, credit reference, agency reports, financial information, credit scores, payment history and underwriting analysis. In assessing loan receivables management use specific information in relation to the loan (such as borrower's status and credit quality), historical credit loss experience, credit loss experience of other similar lenders, and macro-economic factors. A 'backstop' position ensures loans are considered credit-impaired when amounts due are 2 months or more past due.

All non-current receivables are due within five years of 31 March 2023.

Movements in the impairment allowance for loan, trade and other receivables are as follows:

	Group 2023 £000	Company 2023 £000
Opening provision for impairment of loan receivables	-	-
Acquisitions through business combinations	1,397	-
Increase during the year	572	-
Current portion	1,969	-

Receivables from related parties and loans to related parties are considered to be a low credit risk. Credit risk for these assets has not increased significantly since their initial recognition.

The movement in the impairment allowance for loan trade and other receivables has been included in the administrative expenses line in the consolidated statement of profit or loss.

24. Trade and other payables

	Group 2023 £000	Company 2023 £000
Trade payables	12,058	-
Other payables	17,336	-
Accruals	8,188	-
Total financial liabilities, excluding loan and borrowings, classified as financial liabilities measure at amortised cost	37,582	-
Corporation tax liabilities	849	-
Income and other taxes	4,073	-
Contract liabilities	507	-
Total trade and other payables	43,011	-

Other payables comprise deferred consideration on businesses part acquired during the period of £7,469,000.

25. Loans and borrowings

	Group		Company	
	Current 2023 £000	Non-current 2023 £000	Current 2023 £000	Non-current 2023 £000
Bank loans	20,570	26,618	3,031	2,292
Overdraft	148	-	-	-
Total	20,718	26,618	3,031	2,292

The acquisition of Newable UK Holdings Limited during the period included loans and borrowings of £40,623,000.

A bank loan for £7,000,000 which commenced in November 2018 had a balance outstanding on 31 March 2023 of £1,115,000 is due for repayment in quarterly instalments between November 2023 and November 2026. The borrowing is interest bearing at 3.25% above SONIA on all balances.

Another bank loan for £2,500,000 commenced in July 2020 for a period of five years and is due for repayment in quarterly instalments until July 2025. The balance outstanding at 31 March 2023 was £1,250,000. The borrowing is interest bearing at 3.75% above SONIA on all balances.

Two bank loans commenced in June 2022: one loan agreement of £1,500,000 and another for £3,000,000, both for four years, which are interest-bearing at 4.75% above SONIA and 4.25% above SONIA respectively. These are repayable in quarterly instalments of between £112,500 and £262,500 from September 2021 to June 2025. The balances outstanding at 31 March 2023 were £1,500,000 and £2,100,000 respectively.

A bullet loan of £3,500,000 commenced in October 2022 which will be repaid within the next 12 months.

25. Loans and borrowings (continued)

Another bullet loan for £2,000,000 commenced in October 2022 for a period of 4 years. The borrowing is interest bearing at 4.5% above base on all balances.

Another bank loan for £2,250,000 commenced in August 2022 for a period of three years and is due for repayment in quarterly instalments until August 2025. The balance outstanding at 31 March 2023 was £1,500,000. The borrowing is interest bearing at 4.75% above SONIA until September 2023; 4.5% above SONIA thereafter on all balances.

A bank loan for £1,000,000 commenced in October 2022 for a period of 3 years and is due for repayment in quarterly instalments until July 2025. The balance outstanding at 31 March 2023 was £910,000. The borrowing is interest bearing at 3.75% above base on all balances.

Another bank loan for £2,500,000 commenced in 2021 for a period of 3 years and is due for repayment in monthly instalments of £41,666 until July 2024 with the outstanding balance being paid on the last day. The balance outstanding at 31 March 2023 was £1,666,680. The borrowing is interest bearing at 4% above base on all balances.

Two loans commenced May 2022: one loan agreement for £1,500,000 for a period of 6 years with capital repayments delayed for 3 years starting in June 2025. The borrowing is interest bearing at 5% above base on all balances. The other loan for £1,000,000 commenced for a period of 3 years for repayment on a monthly basis until May 25. The balance outstanding at 31 March 2023 was £722,222. The borrowing is interest bearing at 5% above base on all balances.

The Group has the following loans offered by the UK Government's Coronavirus Business Interruption Loan Scheme ("CBILS"):

- £900,000 for six years, repayable in monthly instalments of £15,000 from May 2021 to May 2026. The balance outstanding at 31 March 2023 was £570,000. The borrowing is interest bearing at 2.42% above the UK base rate on all balances.
- £1,850,000 for six years, repayable in quarterly instalments of £92,500 from December 2021 to December 2026. The balance outstanding at 31 March 2023 was £1,295,000. The borrowing is interest bearing at 3.80% above the UK base rate on all balances.
- £1,711,000 for five years, repayable in monthly instalments of £35,700 from August 2022 to July 2026. The balance outstanding at 31 March 2023 was £1,355,000. The borrowing is interest bearing at 3.80% above the UK base rate on all balances.
- £1,500,000 for six years, repayable in quarterly instalments of £125,000 from December 2023 to December 2026. The borrowing is interest bearing at 3.80% above the UK base rate on all balances.

Loans and borrowings include an amount of £9,446,201 due from the Group under invoice discounting agreements.

Loan notes of £1,600,000 were provided in August 2021, and an additional £250,000 in October 2022, for a business combination. These are 6% fixed rate unsecured loan notes which are interest-bearing from August 2022 and due for repayment in July 2027.

Loan notes of £585,000 were provided in March 2021 for a business combination. These are 5% fixed rate unsecured loan notes which are interest-bearing from March 2022 and due for repayment in March 2026. The balance outstanding at 31 March 2023 was £528,614 due to an early repayment.

25. Loans and borrowings (continued)

Loan notes of £1,989,362 were provided in April 2022 for a business combination. These are 5% fixed rate unsecured loan notes which are interest-bearing from April 2023 and due for repayment in February 2028.

Loan notes of £5,323,759 were issued in January 2023 to eligible employees. These are non-interest-bearing, with £3,031,590 repayable in September 2023 and £2,292,169 with no fixed repayment term.

Borrowings mature as follows:

Group	Group 2023 £000	Company 2023 £000
Less than one year	20,718	3,031
One to two years	5,381	-
Two to five years	12,295	-
More than 5 years	8,942	2,292
	47,336	5,323

26. Provisions

The movement on provisions is as shown below:

Group	2023 £000
At 14 September 2022	-
Acquired through business combinations	875
Increase in the period	884
Release in the period	-
Utilisation in the period	-
At 31 March	1,759

Group	2023 £000
Provisions due in less than one year	385
Provisions due in more than one year	1,374
Total	1,759

Amounts provided for at 31 March 2023 comprised a dilapidations provision of £150,000, an onerous lease provision of £1,022,000, a business restructuring provision of £385,000, a warranty provision of £158,000 and other provisions of £44,000. During the period there was a charge of £4,000 for the dilapidations, £392,000 for onerous leases, £385,000 for business restructuring, £58,000 for warranties and £44,000 for other provisions.

27. Deferred taxation

Deferred taxation is calculated in full on temporary differences under the liability method using a tax rate of 25%. The movement on the deferred tax account is as shown below:

	2023
	£000
Deferred tax asset acquired through business combinations	(697)
Deferred tax liability acquired through business combinations	6,049
	5,352
Profit and loss expense	35
Other comprehensive income	-
Other balance sheet movement	(810)
At 31 March	4,577
	2023
	£000
Deferred tax asset at 31 March	(807)
Deferred tax liability at 31 March	5,384
At 31 March	4,577

Details of the deferred tax liability, amounts credited to the Statement of Profit and Loss and amounts charged/(credited) to Reserves are as follows:

Group	Liability	Balance Sheet	Charged to Income	Charged to Reserves
	2023	2023	2023	2023
	£000	£000	£000	£000
Property, plant and equipment and intangible assets	5,281	-	35	-
Other temporary differences	(6)	-	-	-
Losses and other deductions	(698)	-	-	-
Total deferred taxation	4,577	-	35	-

Company	Liability/ (Asset)	Balance Sheet	Charged to Income	Charged to Reserves
	2023	2023	2023	2023
	£000	£000	£000	£000
	-	-	-	-
Total deferred taxation	-	-	-	-

27. Deferred taxation (continued)

Deferred tax assets are only recognised in relation to tax losses and other temporary differences, which would give rise to deferred tax assets where it is considered probable that the losses will be utilised in the foreseeable future, and therefore the asset is recoverable. There are no unused brought forward tax losses.

28. Share capital

Group and Company

	2023
	£000
Authorised	
1,000,000 ordinary shares of £0.01 each	10
78,172,446 preference shares of £1.00 each	78,172
Total	78,182

Group and Company

	2023
	£000
Issued and fully paid	
931,750 ordinary shares of £0.01 each	10
78,172,446 preference shares of £1.00 each	78,172
Total	78,182

The Company issued 1 ordinary share of £0.01 on incorporation. The Company issued a further 931,749 ordinary shares of £0.01 and 78,172,446 preference shares of £1.00 each on 31 March 2023.

29. Other reserves

In January 2023, Newable Partnership Limited issued 78,172,446 preference shares of £1 each with payment expected in eight years. Therefore, the shares have been discounted over this time at an estimated cost of debt of 3.75% to a fair value of £59,312,000. The discounted amount is to be amortised over an eight-year period on a straight-line basis with the outstanding balance being recorded in other reserves.

29. Other reserves (continued)

Group	2023 £000
Preference share capital	78,172
Discounted preference share capital	(59,312)
	18,860
Amortisation in period	(392)
	<u>18,468</u>

30. Financial instruments – risk management

The principal financial instruments used by the Group, from which the key potential risks and uncertainties on financial instruments arise, include trade receivables, loan receivables, cash and cash equivalents, investments in quoted and unquoted equity securities, trade and other payables, bank overdrafts, and floating-rate bank loans – see below table which shows financial instruments by category:

Financial assets

Group	Amortised cost 2023 £000	Fair value through profit or loss 2023 £000
Cash and cash equivalents	8,781	-
Trade and other receivables	25,970	-
Loan receivables	7,930	-
Equity investments	-	541
Total financial assets	<u>42,681</u>	<u>541</u>

Financial liabilities

Group	Amortised cost 2023 £000
Trade and other payables	43,011
Loans and borrowings	47,336
Total financial liabilities	<u>90,347</u>

30. Financial instruments – risk management (continued)

There have been no substantive changes in the Group's exposure to financial instruments risks from previous periods unless otherwise stated in this note.

(i) Fair value risk

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, loan receivables, and trade and other payables, and loans and borrowings approximates their fair value and are therefore not measured at fair value.

The following table provides an analysis of financial assets and liabilities held on the consolidated statement of financial position at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. There were no transfers between levels during the period.

	Level 1 2023 £000	Level 3 2023 £000
Equity investments (quoted)	-	-
Equity investments (unquoted)	541	-
At 31 March	<u>541</u>	<u>-</u>

The sensitivity analysis of a reasonably possible change in one significant unobservable input, holding other inputs constant, of level 3 financial instruments is provided below:

	Profit or loss	
	Increase £000	Decrease £000
Movement in Fund value of 5%	-	-

The reconciliation of the opening and closing fair value balance of financial instruments is provided below:

	£000
At 14 September 2022	-
Additions acquired through business combinations	544
Additions	26
Impairment	(29)
At 31 March 2023	<u>541</u>

30. Financial instruments – risk management (continued)

(ii) Interest rate risk

The Group’s borrowings are principally at a margin over SONIA thus exposing the Group to cash flow interest rate risk.

The Group has used a sensitivity analysis technique that measures the estimated change in fair value of the Group’s financial instruments to both the Consolidated Statement of Profit and Loss and equity of an instantaneous increase or decrease of 2% in market interest rates. This exercise has been performed purely for illustrative purposes as, in practice, these changes rarely occur in isolation. In preparing this analysis, it has been assumed that changes in market interest rates affect the interest payable or receivable on floating rate financial instruments, any potential impact on the Group’s retirement benefit obligations has been excluded.

	Profit or loss	
	Increase	Decrease
	£000	£000
Movement in SONIA of 2%	926	(926)

Financial assets receivable by the Group are disclosed in note 23, which illustrates the amount receivable within 12 months and over 12 months.

(iii) Credit risk

This risk arises from the Group’s receivables from customers and clients, primarily in the form of property rentals, invoices and loan repayments.

The maximum Group exposure to credit risk at the balance sheet date was £39,143,000 being the total of the carrying amount of trade receivables, other receivables, contract assets and amounts due from undertakings in which the Group has a participating interest.

The Group’s major credit risk exposure exists in its provision of loans to domestic SMEs. The Group aims to mitigate this credit risk focusing on business sectors where the Group believes it has specific expertise and limits concentrated exposures on larger loans, certain sectors and other factors, which can create higher risk. Moreover, credit risk is assessed through a combination of due diligence, credit reference agency reports, financial information, credit scores and underwriting analysis. The Group also seeks to obtain security cover, and where appropriate, guarantees from borrowers, and significantly from government sponsored loan guarantee arrangements, all loans written are under the government’s Enterprise Finance Guarantee.

The Group is exposed to credit risk on its £12.0 million invoice factoring facilities. Continual monitoring and cautious use of the facility carefully manage this risk.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating “A” are accepted.

Further information on credit risk is provided in note 23.

30. Financial instruments – risk management (continued)

Cash in bank and short-term deposits

Group	2023	
	Cash at Bank	Short-term Deposits
	£000	£000
UK Bank Rating		
AA	4,431	2,440
A	1,910	-
Note 33	6,341	2,440

(iv) Financing risk

The Group regularly monitors the liquidity position to ensure that sufficient funds are available to meet both current and future requirements. Liquidity management includes managing the Group’s working capital and borrowings. The Group’s borrowings are the subject of several financial covenants, which the Directors regularly monitor to ensure both current and future compliance.

A bank loan for £7,000,000 which commenced in November 2018 had a balance outstanding on 31 March 2023 of £1,115,000 is due for repayment in quarterly instalments between November 2023 and November 2026. The borrowing is interest bearing at 3.25% above SONIA on all balances.

Another bank loan for £2,500,000 commenced in July 2020 for a period of five years and is due for repayment in quarterly instalments until July 2025. The balance outstanding at 31 March 2023 was £1,250,000. The borrowing is interest bearing at 3.75% above SONIA on all balances.

Two bank loans commenced in June 2022: one loan agreement of £1,500,000 and another for £3,000,000, both for four years, which are interest-bearing at 4.75% above SONIA and 4.25% above SONIA respectively. These are repayable in quarterly instalments of between £112,500 and £262,500 from September 2021 to June 2025. The balances outstanding at 31 March 2023 were £1,500,000 and £2,100,000 respectively.

Another bank loan for £2,250,000 commenced in August 2022 for a period of three years and is due for repayment in quarterly instalments until August 2025. The balance outstanding at 31 March 2023 was £1,500,000. The borrowing is interest bearing at 4.75% above SONIA until September 2023; 4.5% above SONIA thereafter on all balances.

A bullet loan of £3,500,000 commenced in October 2022 which will be repaid within the next 12 months.

A bank loan for £1,000,000 commenced in October 2022 for a period of 3 years and is due for repayment in quarterly instalments until July 2025. The balance outstanding at 31 March 2023 was £910,000. The borrowing is interest bearing at 3.75% above base on all balances.

Another bullet loan for £2,000,000 commenced in October 2022 for a period of 4 years. The borrowing is interest bearing at 4.5% above base on all balances.

30. Financial instruments – risk management (continued)

Another bank loan for £2,500,000 commenced in 2021 for a period of 3 years and is due for repayment in monthly instalments of £41,666 until July 2024 with the outstanding balance being paid on the last day. The balance outstanding at 31 March 2023 was £1,666,680. The borrowing is interest bearing at 4% above base on all balances.

Two loans commenced May 2022: one loan agreement for £1,500,000 for a period of 6 years with capital repayments delayed for 3 years starting in June 2025. The borrowing is interest bearing at 5% above base on all balances. The other loan for £1,000,000 commenced for a period of 3 years for repayment on a monthly basis until May 25. The balance outstanding at 31 March 2023 was £722,222. The borrowing is interest bearing at 5% above base on all balances.

The Group has the following loans offered by the UK Government's Coronavirus Business Interruption Loan Scheme ("CBILS"):

- £900,000 for six years, repayable in monthly instalments of £15,000 from May 2021 to May 2026. The balance outstanding at 31 March 2023 was £570,000. The borrowing is interest bearing at 2.42% above the UK base rate on all balances.
- £1,850,000 for six years, repayable in quarterly instalments of £92,500 from December 2021 to December 2026. The balance outstanding at 31 March 2023 was £1,295,000. The borrowing is interest bearing at 3.80% above the UK base rate on all balances.
- £1,711,000 for five years, repayable in monthly instalments of £35,700 from August 2022 to July 2026. The balance outstanding at 31 March 2023 was £1,355,000. The borrowing is interest bearing at 3.80% above the UK base rate on all balances.
- £1,500,000 for six years, repayable in quarterly instalments of £125,000 from December 2023 to December 2026. The borrowing is interest bearing at 3.80% above the UK base rate on all balances.

Loan notes of £1,600,000 were provided in August 2021 for a business combination. These are 6% fixed rate unsecured loan notes which are interest-bearing from August 2022 and due for repayment in July 2027.

Loan notes of £585,000 were provided in March 2021 for a business combination. These are 5% fixed rate unsecured loan notes which are interest-bearing from March 2022 and due for repayment in March 2026. The balance outstanding at 31 March 2023 was £528,614 due to an early repayment.

Loan notes of £1,989,362 were provided in April 2022 for a business combination. These are 5% fixed rate unsecured loan notes which are interest-bearing from April 2023 and due for repayment in February 2028.

Loan notes of £5,323,759 were issued in January 2023 to eligible employees. These are non-interest-bearing, with £3,031,590 repayable in September 2023 and £2,292,169 with no fixed repayment term.

The Directors are confident that the Group will have adequate resources to continue in operational existence for the foreseeable future.

30. Financial instruments – risk management (continued)

The following table sets out contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

Group	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000	£000	£000	£000	£000
Trade and other payables	9,459	26,938	6,464	150	-
Bank loans and overdrafts	968	19,750	5,381	12,295	8,942
At 31 March 2023	10,427	46,688	11,845	12,445	8,942

The Group manages its bank loans and equity as capital. In developing business plans, management considers the likely capital requirements and how to fund them. Additional capital is funded by using the least cost source at the time of fund raising. At 31 March, the Group's capital can be summarised as follows:

	Group 2023 £000	Company 2023 £000
Bank loans	47,336	-
Share capital	78,182	78,182
	125,518	78,182

Externally imposed capital requirements are represented by a number of operational and financial covenants on the bank loans, all of which the Group operated within.

Further quantitative information in respect of these risks is presented throughout these financial statements.

31. Related party transactions

During the year, the Group provided no loans to employees.

There are loans totalling £122,902 due from employees participating in the Newable UK Holdings Limited long-term incentive plan ("LTIP"). The LTIP terminated on 31 January 2023 and the loans are due to be repaid on 30 September 2023.

On 31 January employees that had been participating in the LTIP issued loan notes to Newable Partnership Limited totalling £6,032,679. Loan note A for £3,031,590 is due for repayment in September 2023 and £3,001,089 (discounted to £2,292,169 at 31 March 2023) with no fixed repayable term.

There are loans totalling £72,805 due from employees participating in a long-term incentive plan for the Workspace business.

32. Post balance sheet events

In July 2023 the Company sold 30% of its interest in Arc Building Solutions Limited (“Arc”) and Newable Niagara Limited, the intermediary holding company of Arc, for £5.6 million.

In June 2023 Newable incorporated a new subsidiary called Newable Compliance Limited, in which it has a 55% shareholding. The purpose of this company is to invest in a portfolio of SME businesses in the compliance, certification, testing, training, and safety industries. In July the company made its initial investment and acquired 75% of the share capital of O J Health & Safety Solutions Limited for £1.1 million.

33. Notes supporting statement of cash flows

Group	2023 £000
Short term bank deposits	2,440
Cash at bank	6,341
Balance as shown on Group Statement of Financial Position	8,781
Overdrafts	(148)
Balance as shown on Group Cash Flow Statement	8,633

Company	2023 £000
Cash at bank	-
Balance as shown on Company Statement of Financial Position	-

	Current loans and borrowings £000 (Note 25)	Non-current loans and borrowings £000 (Note 25)
At 14 September 2022	-	-
Acquired with business acquisitions	14,147	20,726
Cash Flows		
New facilities with Santander Bank	444	-
New facility with PNC	160	-
New facility with Arbuthnot	152	-
New facilities with other third parties	601	-
Increase existing facility with Arbuthnot	902	-
Decrease existing facility with Santander Bank	(404)	-
Decrease existing facility with PNC	(83)	-
Decrease existing facility with Royal Bank of Scotland	(30)	-
Non-cash flows		
New facilities with other third parties	3,031	2,292
Loans and borrowing reclassified during the period	1,650	3,600
At 31 March 2023	20,570	26,618

34. Share based payments

Company Share Option Plan

In March 2023 the Company established a Company Share Option Plan (“CSOP”) which provides qualifying employees with share options. The CSOP is designed to provide long-term incentives to participants to deliver long-term shareholder returns. The share options granted by the Company give the holder the right to buy shares from the Company at a date in the future at an agreed price (exercise price). Options are granted under the plan for no consideration and carry no dividend or voting rights.

Details of share options outstanding during the period are as follows:

Group	Number of share options	Average exercise price of share options £
Outstanding at 14 September 2022	-	-
Granted during the period	923,250	0.01
Outstanding at 31 March 2023	923,250	0.01

The vesting period of the options is between 3 and 5 years.

The Company has incurred no material costs relating to the CSOP during the period.

35. Controlling Party

Newable Partnership Limited is owned by its senior employees. No single employee has a significant controlling interest

An abstract geometric pattern composed of several blue cubes of varying sizes, arranged in a staggered, isometric fashion. The cubes are rendered with thin white outlines, creating a sense of depth and structure. They are positioned in the lower half of the frame, with some cubes appearing to be stacked or connected.

Newable