

Registered number: 11504186

**KELSO GROUP HOLDINGS PLC  
(FORMERLY INSIGHT BUSINESS SUPPORT PLC)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

## KELSO GROUP HOLDINGS PLC

### COMPANY INFORMATION

<b>Directors</b>	J. P. Pither (resigned 24 January 2023) G. A. Harvey (resigned 29 March 2023) A. C. Rhodes (resigned 29 January 2023) J. Brooke (appointed 23 November 2022) J. H. Goold (appointed 25 March 2022) M. A. Kirkland (appointed 23 November 2022) Sir N. Knowles (appointed 29 January 2023) D. Charters (appointed 29 March 2023)
<b>Company secretary</b>	MSP Corporate Services Limited
<b>Registered number</b>	11504186
<b>Registered office</b>	Eastcastle House 27-28 Eastcastle Street London United Kingdom W1W 8DH
<b>Independent auditor</b>	Royce Peeling Green Limited Chartered Accountants & Statutory Auditors The Copper Room Deva City Office Park Trinity Way Manchester M3 7BG

## KELSO GROUP HOLDINGS PLC

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## KELSO GROUP HOLDINGS PLC

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

I have the pleasure in presenting the financial statements of Kelso Group Holdings PLC for the year ended 31 December 2022.

During the period the Company reported a net loss before taxation of £289,324. There was no revenue in the period. The loss reflects the costs associated with the scoping of a potential acquisition, listed company fees and other operating costs.

As at 31 December 2022, the Company had cash at bank of £332,971.

Kelso Group Holdings plc ("Kelso", formerly Insight Business Support Plc) made significant progress during the latter part of 2022 and post year end.

During the period, the Company was re-established as Kelso. Under the new board, the Company's strategy changed to identifying, engaging and unlocking trapped value in UK listed companies across any sector. Through active engagement and alignment via taking stakes directly, Kelso aims to effect change where existing shareholders are often unable or unwilling to do so themselves. As part of this change, a new Board and management team has been appointed, including John Goold, having joined the board as a non-executive director on 25 March 2022, subsequently became the CEO in November 2022. Mark Kirkland and Jamie Brooke joined the board as executive directors in November 2022. It was announced on 30 January 2023 that I became chairman and in January 2023 David Charters joined as a non-executive director. The board are thankful to the previous directors, who stepped down in the year, for their contribution.

In January 2023, the company raised £3.0 million from a share issue at a share price of 2.0p. On 31 January 2023, Kelso announced its first investment of £2.75 million into THG plc ("THG") through the purchase of 5 million shares at 54.5p. The background and reasons for this investment of shares in THG were set out in the announcement dated 31 January 2023. On 30 March 2023, Kelso announced a second net purchase of a beneficial interest in an additional 2.4 million shares in THG and also gave a further update as to its investment into THG. On 21 April 2023, Kelso announced a third net purchase of a beneficial interest in an additional 0.6 million shares in THG, which takes Kelso's total beneficial interest, consisting of ordinary shares and Contracts for Difference ("CFDs"), in THG to 8.0 million shares. On 30 March 2023 Kelso announced an intention to raise up to a further £3.0 million new money at 2.5p.

In respect of the year to 31 December 2022, the only material costs of the business were in relation to raising funds, the write off of directors' loan accounts, and some limited due diligence on a historic, potential reverse IPO candidate prior to the new strategy and change of board.

As highlighted in the 2 November 2022 announcement, the board intended to establish a management incentive plan ("MIP") which will be put in place post year end with shares to be issued shortly to participants. None of the directors draw fees or salaries and costs are kept to a minimum. The current directors own 19.37% of shares in Kelso. The MIP is focussed on aligning the participants with shareholders and investment returns. The principal terms are as follows:

- The MIP is linked to total shareholder return (share price performance plus dividends) over the long term
- Participants of the MIP will hold shares in Kelso Limited, a newly incorporated subsidiary of Kelso Group Holdings Plc. Kelso Limited will have the right to convert to shares in Kelso Group Holdings Plc, the value to be calculated as follows:
  - Subject to achieving a return hurdle for Kelso shareholders of 8% p.a., an entitlement to 15% of the value created

## KELSO GROUP HOLDINGS PLC

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

- Subject to achieving a return hurdle for Kelso shareholders of 15% p.a., an entitlement of 20% of the value created
  - For returns between these hurdle rates, an entitlement of between 15% and 20% of value created calculated on a straight line basis
- Standard good/bad leaver provisions
  - MIP shares may vest a third each on the third, fourth and fifth anniversaries
  - 50% of MIP shares, once converted into Kelso shares, will be locked up for one year

The executive team are excited about the prospects in the UK listed market for generating value for shareholders. They believe that the UK stock market currently looks attractive and are dedicated to Kelso's strategy for identifying, engaging with and unlocking trapped value in UK listed companies. Kelso also aims to work with investee companies, and respective stakeholders, to effect change where existing shareholders are often unable or unwilling to do so themselves.

Sir N. Knowles  
Chairman

26 April 2023

## KELSO GROUP HOLDINGS PLC

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### **Introduction**

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

#### **Business review**

During the year, the Company sought to make an acquisition however this was not successful. The board and strategy has subsequently substantially changed. Kelso seeks to identify, engage and unlock trapped value in UK listed companies. Through active engagement and alignment with other stakeholders, taking stakes directly, Kelso aims to effect change where existing shareholders are often unable or unwilling to do so themselves.

#### **Financial key performance indicators**

At this stage in its development, quantitative key performance indicators are not considered an effective way to measure the Company's performance.

#### **Principal risks and uncertainties**

The Company's activities expose it to a number of risks including capital management risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. The policies for managing these risks are regularly reviewed and agreed by the Board.

##### (a) Market risk

##### Foreign exchange risk

The Company operates in the United Kingdom and as such the majority of its financial assets and liabilities are denominated in sterling, and there is no material exposure to exchange risks.

##### Cash flow and fair value interest rate risk

As at 31 December 2022 and since that time there have been no loans outstanding and no undrawn overdraft facilities available to the Company.

##### (b) Credit risk

The Company does not currently have any significant credit risks as it has no trade receivables. Other receivables relate to VAT and are considered fully recoverable.

##### (c) Liquidity risk

Cash balances and borrowings are managed so as to maximise interest earned and minimise interest paid, while maintaining the liquidity requirement of the business. When seeking borrowings, the directors' consider the commercial terms available and, in consultation with their advisors, consider whether such terms should be fixed or variable and are appropriate to the business.

The Company ensures it has adequate resource to discharge all of its liabilities.

## KELSO GROUP HOLDINGS PLC

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### Capital management risk

The Company's main objective when managing capital is to protect returns to shareholders by ensuring the Company will continue to trade in the foreseeable future. The Company also aims to optimise its capital structure of debt and equity so as to minimise its cost of capital. The Company in particular reviews its levels of borrowing and the repayment dates, setting these out against forecast cash flows and reviewing the level of available funds.

#### **Employees, social, community and human rights issues**

The company does not have any employees other than the directors, with all support services provided by external parties. Therefore, the directors believe that this information is not relevant for the year ended 31 December 2022 and have not disclosed any information to that effect.

At 31 December 2022, the company had 6 male directors.

#### **Directors' section 172 statement**

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

#### **The interests of the Company's employees**

Although the Company has no employees, the directors who undertake functional activities on behalf of the Company are subject to high standards of compliance and conduct training. The company requires all employees to comply with the FCA's individual conduct rules: to act with integrity; to act with due skill, care and diligence; to be open and cooperative with the FCA and other regulators; to pay due regard to the interests of customers and treat them fairly; and to observe proper standards of market conduct.


#### **Our investor stakeholder**

Our investor stakeholder group are interested in the success and sustainability of the business. We conduct extensive engagement with our investors throughout the year with regular reporting in the form of announcements and Annual General Meeting.

#### **Future developments**

As mentioned in the Chairman's report, the company completed a fund raise of £3,000,000 from an issue of ordinary shares and made its first investment in a trading company in January 2023.

This report was approved by the board on 26 April 2023 and signed on its behalf.

DocuSigned by:  
  
F44DE7450199469...  
**M. A. Kirkland**  
Director

## KELSO GROUP HOLDINGS PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

#### **Principal activity**

The principal activity of the Company is that of investment.



## KELSO GROUP HOLDINGS PLC

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### Substantial shareholders

The Company has been notified of the following interest of 3 per cent or more in its issued share capital as at 31 December 2022 and 19 April 2023:

	<b>Shareholding 31 Dec 2022</b>	<b>%</b>
Hargreaves Lansdown (Nominees) Limited	9,368,095	19.71
Jim Nominees Limited	7,500,000	15.78
Barnard Nominees Ltd	7,500,000	15.78
J H Goold	3,750,000	7.89
The Bank of New York (Nominees) Limited	3,750,000	7.89
Vidacos Nominees Limited	3,750,000	7.89
D A King	1,875,000	3.95
Lawshare Nominees Limited	1,504,925	3.17
J P Pither	1,500,000	3.16
A C Rhodes	1,500,000	3.16
J C Green	1,500,000	3.16
Pitchcroft Capital Limited	1,500,000	3.16
	<b>19 April 2023</b>	
J H Goold	19,750,000	10.00
J Brooke	12,500,000	6.33
N Wray	7,500,000	3.80
G Petken	6,250,000	3.16
M A Kirkland	6,000,000	3.04
M Bolland	6,000,000	3.04
L Johnson	6,000,000	3.04
D Poutney	6,000,000	3.04
R MacDowell	6,000,000	3.04
J Walker	6,000,000	3.04
P Hogarth	6,000,000	3.04
U Kamani	6,000,000	3.04
E Woodward	6,000,000	3.04
Killik & Co	6,000,000	3.04

#### Results and dividends

The loss for the year, after taxation, amounted to £289,324 (2021 - loss £131,682).

The directors did not recommend a payment of a dividend during the period.

#### Corporate governance

The directors intend, so far as appropriate given the Company's size and the constitution of the Board, to comply with the QCA Guidelines on Corporate Governance. As at 19 April 2023, the board comprises 5 members, 3 of whom are executives. As the Company's business has developed sufficiently, the directors have set up an audit committee and a remuneration committee comprising a majority of non-executive directors.

## KELSO GROUP HOLDINGS PLC

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### **Directors' remuneration**

The directors received no remuneration during the year (2021: £nil).

#### **Directors**

The directors who served during the year are all male and were:

J. P. Pither (resigned 24 January 2023)  
G. A. Harvey (resigned 29 March 2023)  
A. C. Rhodes (resigned 29 January 2023)  
J. Brooke (appointed 23 November 2022)  
J. H. Goold (appointed 25 March 2022)  
M. A. Kirkland (appointed 23 November 2022)

#### **Greenhouse gas emissions, energy consumption and energy efficiency action**

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

#### **Disclosure of information to auditor**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


#### **Post year end events**

As mentioned in the Chairman's report, the company completed a fund raise of £3,000,000 from an issue of ordinary shares and made its first investment in a trading company in January 2023.

#### **Auditor**

The auditor, Royce Peeling Green Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 26 April 2023 and signed on its behalf.

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**M. A. Kirkland**  
Director

## KELSO GROUP HOLDINGS PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELSO GROUP HOLDINGS PLC (CONTINUED)

#### **Opinion**

We have audited the financial statements of Kelso Group Holdings Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Profit or Loss, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; 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 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 as applied to listed public interest entities, 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Discussions with the directors regarding the Company's plans and timelines; and
- Review of post year end investment activity.

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

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

## KELSO GROUP HOLDINGS PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELSO GROUP HOLDINGS PLC (CONTINUED)

#### **Our approach to the audit**

The scope of our audit was the audit of the Company for the year ended 31 December 2022. The audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control and assessing the risks of material misstatement. Audit work to respond to the assessed risks was planned and performed directly by the engagement team which performed full scope audit procedures.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Key Audit Matter**

#### **How our scope addressed this matter**

Going concern

We discussed the plans for the Company with the directors and assessed the resources available to achieve these plans whilst considering recurring expenditure. We reviewed the high level budgets prepared and concluded that the Company has sufficient resources to maintain planned operations for at least a period of 12 months following approval of these financial statements.

#### **Our application of materiality**

The scope and focus of our audit was influenced by our assessment and application of materiality.

We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Materiality for the financial statements as a whole was set at £15,000, determined with reference to the net assets of the Company. This was considered an appropriate level of materiality given the limited trading activity of the Company and the net assets are considered to be of the most interest to the users of the financial statements at this stage of operations. We report to the Board any corrected or uncorrected misstatements arising exceeding £500. Performance materiality was set at £9,000, being 62.5% of materiality.

## KELSO GROUP HOLDINGS PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELSO GROUP HOLDINGS PLC (CONTINUED)

#### **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.

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

#### **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 its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or

## KELSO GROUP HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELSO GROUP HOLDINGS PLC  
(CONTINUED)

error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery,

## KELSO GROUP HOLDINGS PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELSO GROUP HOLDINGS PLC (CONTINUED)

intentional omissions, misrepresentations or the override of internal controls.

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

#### **Other matters which we are required to address**

We were appointed by The Board on 7 March 2023 to audit the financial statements for the year ended 31 December 2022 and subsequent financial periods. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit. Our audit opinion is consistent with the additional report to the Audit Committee.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Hayward BA FCA (Senior statutory auditor)

for and on behalf of  
**Royce Peeling Green Limited**

Chartered Accountants  
Statutory Auditors

The Copper Room  
Deva City Office Park  
Trinity Way  
Manchester  
M3 7BG

26 April 2023

## KELSO GROUP HOLDINGS PLC

STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Administrative expenses		(287,857)	(131,682)
<b>Loss from operations</b>		<u>(287,857)</u>	<u>(131,682)</u>
Finance expense		(1,467)	-
<b>Loss before tax</b>		<u>(289,324)</u>	<u>(131,682)</u>
Tax expense	7	-	-
<b>Loss for the year</b>		<u><u>(289,324)</u></u>	<u><u>(131,682)</u></u>
		2022 Pence	2021 Pence
<b>Earnings per share attributable to the ordinary equity holders of the parent</b>			
<b>Profit or loss</b>			
Basic	8	(0.61)	(0.47)
Diluted	8	<u>(0.61)</u>	<u>(0.47)</u>
<b>Profit or loss from continuing operations</b>			
Basic	8	(0.61)	(0.47)
Diluted	8	<u>(0.61)</u>	<u>(0.47)</u>

The notes on pages 20 to 27 form part of these financial statements.

There was no other comprehensive Income during the year (2021: £nil).




**KELSO GROUP HOLDINGS PLC**  
**REGISTERED NUMBER: 11504186**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	9	9,006	47,589
Cash and cash equivalents		332,971	576,022
<b>Total assets</b>		<u>341,977</u>	<u>623,611</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other liabilities	10	(44,198)	(36,508)
<b>Net assets</b>		<u>297,779</u>	<u>587,103</u>
<b>Issued capital and reserves</b>			
Share capital	11	475,250	475,250
Share premium reserve	12	320,150	320,150
Retained earnings	12	(497,621)	(208,297)
<b>TOTAL EQUITY</b>		<u>297,779</u>	<u>587,103</u>

The financial statements on pages 15 to 27 were approved and authorised for issue by the board of directors on 26 April 2023 and were signed on its behalf by:

DocuSigned by:  
  
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**M. A. Kirkland**  
 Director

The notes on pages 20 to 27 form part of these financial statements.

## KELSO GROUP HOLDINGS PLC

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Loss for the year		(289,324)	(131,682)
Finance expense		1,467	-
		<u>(287,857)</u>	<u>(131,682)</u>
<b>Movements in working capital:</b>			
Decrease/(increase) in trade and other receivables		38,583	(46,089)
Increase in trade and other payables		7,690	33,308
		<u>(241,584)</u>	<u>(144,463)</u>
<b>Cash generated from operations</b>			
		<u>(241,584)</u>	<u>(144,463)</u>
<b>Net cash used in operating activities</b>			
		<u>(241,584)</u>	<u>(144,463)</u>
<b>Financing activities</b>			
Issue of ordinary shares		-	780,500
Costs of share issue		-	(70,100)
Finance costs		(1,467)	-
		<u>(1,467)</u>	<u>710,400</u>
<b>Net cash used in financing activities</b>			
		<u>(1,467)</u>	<u>710,400</u>
<b>Net cash (decrease)/increase in cash and cash equivalents</b>			
		<u>(243,051)</u>	<u>565,937</u>
Cash and cash equivalents at the beginning of year		576,022	10,085
		<u>332,971</u>	<u>576,022</u>

The notes on pages 20 to 27 form part of these financial statements.

## KELSO GROUP HOLDINGS PLC

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

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
<b>At 1 January 2022</b>	475,250	320,150	(208,297)	587,103
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(289,324)	(289,324)
<b>Total comprehensive income for the year</b>	-	-	(289,324)	(289,324)
<b>Contributions by and distributions to owners</b>				
<b>At 31 December 2022</b>	<u>475,250</u>	<u>320,150</u>	<u>(497,621)</u>	<u>297,779</u>

The notes on pages 20 to 27 form part of these financial statements.

## KELSO GROUP HOLDINGS PLC

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
<b>At 1 January 2021</b>	85,000	-	(76,615)	8,385
<b>Comprehensive income for the year</b>				
Loss for the year	<u>-</u>	<u>-</u>	<u>(131,682)</u>	<u>(131,682)</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>(131,682)</u>	<u>(131,682)</u>
<b>Contributions by and distributions to owners</b>				
Issue of share capital	390,250	390,250	-	780,500
Other movements 1	<u>-</u>	<u>(70,100)</u>	<u>-</u>	<u>(70,100)</u>
<b>Total contributions by and distributions to owners</b>	<u>390,250</u>	<u>320,150</u>	<u>-</u>	<u>710,400</u>
<b>At 31 December 2021</b>	<u><u>475,250</u></u>	<u><u>320,150</u></u>	<u><u>(208,297)</u></u>	<u><u>587,103</u></u>

The notes on pages 20 to 27 form part of these financial statements.

## KELSO GROUP HOLDINGS PLC

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

#### 1. Reporting entity

Kelso Group Holdings PLC (the 'Company') is a public limited company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The Company's registered office is at Eastcastle House, 27-28 Eastcastle Street, London, United Kingdom, W1W 8DH. The Company's principal activity is that of investment.

#### 2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). They were authorised for issue by the Company's board of directors on 26 April 2023.

Details of the Company's accounting policies, including changes during the year, are included in note 4.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

There are no judgements that are considered to have a significant effect on the amounts recognised in the financial statements.

There are no key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### 2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis.

##### 2.2 Changes in accounting policies

###### i) New standards, interpretations and amendments effective from 1 January 2022

There are no new standards which have had a material impact in the annual financial statements for the year ended 31 December 2022.

###### ii) 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 Company has decided not to adopt early. The directors anticipate that the adoption of other Standards and interpretations that are not yet effective in future periods will only have an impact on the presentation in the financial statements of the Company.

## KELSO GROUP HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**3. Functional and presentation currency**

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

**4. Accounting policies****4.1 Cash and cash equivalents**

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

**4.2 Financial instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**5. Auditor's remuneration**

During the year, the Company obtained the following services from the Company's auditor:

	2022 £	2021 £
Fees payable for the audit of the Company's financial statements	10,000	4,200
Due diligence services	-	19,000
Tax compliance	-	<u>315</u>

**6. Directors and employees**

The directors received no remuneration during the year (2021: £nil).

The Company has no employees (2021: None).

## KELSO GROUP HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**7. Tax expense****7.1 Income tax recognised in profit or loss**

## Current tax

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2022 £	2021 £
Loss for the year	(289,324)	(131,682)
Loss before income taxes	(289,324)	(131,682)
Tax at 19% (2021: 19%)	(54,972)	(25,020)
Expenses not deductible for tax purposes	16,720	-
Unrelieved tax losses carried forward	38,252	25,020
Total tax expense	<u>-</u>	<u>-</u>

## Changes in tax rates and factors affecting the future tax charges

At the year end the company had tax losses carried forward of approximately £284,000 (2021: £83,000) which can be utilised against future profits. No deferred tax asset has been recognised in respect of these losses due to uncertainty of recoverability.

## KELSO GROUP HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**8. Earnings per share**

## (i) Basic and diluted earnings per share

	2022 Pence	2021 Pence
From continuing operations attributable to the ordinary equity holders of the Company	<u>(0.61)</u>	<u>(0.47)</u>

## (ii) Reconciliation of earnings used in calculating earnings per share

	2022 £	2021 £
Loss attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	<u>(289,324)</u>	<u>(131,682)</u>
Used in calculating basic earnings per share	<u>(289,324)</u>	<u>(131,682)</u>

## (iii) Weighted average number of shares used as the denominator

	2022 Number	2021 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>47,525,000</u>	<u>28,279,795</u>

**9. Trade and other receivables**

	2022 £	2021 £
Prepayments and accrued income	5,697	-
Other receivables	3,309	47,589
Total trade and other receivables	<u>9,006</u>	<u>47,589</u>

Other receivables include loans to directors of £nil (2021: £36,000). No interest is charged on these loans and they are repayable on demand.



## KELSO GROUP HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**10. Trade and other payables**

	2022 £	2021 £
Other payables	9,173	-
Accruals	22,282	36,508
Social security and other taxes	12,743	-
Total trade and other payables	<u>44,198</u>	<u>36,508</u>

Other payables includes loans from directors of £9,173 (2021: £nil). Interest was charged at a rate of 10% and amounted to £1,467 (2021: £nil) during the year. Loans are repayable on demand.

**11. Share capital****Authorised**

	2022 Number	2022 £	2021 Number	2021 £
Shares treated as equity				
Ordinary shares of £0.01 each	150,000,000	1,500,000	150,000,000	1,500,000
	<u>150,000,000</u>	<u>1,500,000</u>	<u>150,000,000</u>	<u>1,500,000</u>

**Issued and fully paid**

	2022 Number	2022 £	2021 Number	2021 £
<b>Ordinary shares of £0.01 each</b>				
At 1 January and 31 December	<u>47,525,000</u>	<u>475,250</u>	<u>47,525,000</u>	<u>475,250</u>

Ordinary shares carry full voting rights along with rights to payment of dividends and distributions.

## KELSO GROUP HOLDINGS PLC

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

#### **12. Reserves**

##### **Share premium**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

##### **Retained earnings**

This balance represents the cumulative profit and loss made by the Company net of distributions to owners.

#### **13. Financial instruments - fair values and risk management**

##### **13.1 Financial risk management objectives**

The Company only deals in basic financial instruments. In the current period the Company's financial instruments comprise cash and cash equivalents and accruals which arise directly from its operations. All financial assets and liabilities are recognised at amortised cost. The Company does not use financial instruments for speculative purposes.

##### Financial Risk Factors

The Company's activities expose it to mainly liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

##### Liquidity Risk

The Company has to date financed its operations from cash reserves funded from share issues, Management's objectives are now to manage liquid assets in the short term through closely monitoring costs and raising funds through the issue of shares.

The Company has no borrowing facilities that require repayment and therefore has no interest rate risk exposure.

##### Capital Management Risk

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to holders of the parent, comprising issued share capital and retained earnings. Consistent with others in the industry, the Company reviews the gearing ratio to monitor the capital. This ratio is calculated as the net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity (including capital, reserves and retained earnings). This gearing ratio will be considered in the wider macroeconomic environment.

##### Fair Values

Management have assessed that the fair values of cash and short-term deposits and accruals approximate to their carrying amounts due to the short-term maturities of these instruments.

## KELSO GROUP HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**14. Related party transactions**

Details of transactions between the Company and its related parties are disclosed below.

There are no personnel considered to be key management other than the directors who received no remuneration during the year. Loans to and from directors in the year were as follows:

	Loans to directors £	Loans from directors £
Balance at 1 January 2021	-	-
Movement in the year	36,000	-
Balance at 31 December 2021	<u>36,000</u>	<u>-</u>
Movement in the year	52,000	(8,000)
Loans written off	(88,000)	-
Interest payable	-	(1,173)
Balance at 31 December 2022	<u><u>-</u></u>	<u><u>(9,173)</u></u>

The loans to the directors were interest free and the loans from the directors bears interest at 10% p.a. The company has repaid £8,000 of the directors loans after the year end.

During the year J C Green, a shareholder, charged the Company £49,000 (2021: £29,000) for consultancy and fundraising services. The balance owed by the company at the year-end was £nil (2021: £nil).

**15. Control**

There is no controlling party but the Company has been notified of the following interest of 3 per cent or more in its issued share capital as at 31 December 2022:

	Shareholding	%
Hargreaves Lansdown (Nominees) Limited	9,368,095	19.71
Jim Nominees Limited	7,500,000	15.78
Barnard Nominees Ltd	7,500,000	15.78
J H Goold	3,750,000	7.89
The Bank of New York (Nominees) Limited	3,750,000	7.89
Vidacos Nominees Limited	3,750,000	7.89
D A King	1,875,000	3.95
Lawshare Nominees Limited	1,504,925	3.17
J P Pither	1,500,000	3.16
A C Rhodes	1,500,000	3.16
J C Green	1,500,000	3.16
Pitchcroft Capital Limited	1,500,000	3.16

## KELSO GROUP HOLDINGS PLC

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

#### **16. Events after the reporting date**

As mentioned in the Chairman's report, the company completed a fund raise of £3,000,000 from an issue of ordinary shares and made its first investment in a trading company in January 2023.

## KELSO GROUP HOLDINGS PLC

**DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
<b>Overheads</b>		
Administration expenses	(287,857)	(131,682)
<b>Operating loss</b>	<u>(287,857)</u>	<u>(131,682)</u>
Finance expense	(1,467)	-
Loss for the year	<u><u>(289,324)</u></u>	<u><u>(131,682)</u></u>

	2022 £	2021 £
<b>Administration expenses</b>		
Directors national insurance	12,450	-
Hotels, travel and subsistence	2,401	1,058
Consultancy	49,095	30,303
Computer costs	650	-
Legal and professional	110,877	73,233
Auditors' remuneration	10,000	5,600
Auditors' remuneration - non-audit	-	21,315
Accountancy fees	14,163	-
Bank charges	221	173
Directors loans written off	88,000	-
	<u>287,857</u>	<u>131,682</u>

	2022 £	2021 £
<b>Finance expense</b>		
Other loan interest payable	1,467	-
	<u>1,467</u>	<u>-</u>