
INDIGOCYAN BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 55 WEEK ENDED 1 JUNE 2018

INDIGOCYAN BIDCO LIMITED

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INDIGOCYAN BIDCO LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Richard P Blackburn Ben Pike Julie A Noone Robert Lucas Andrew C Mayfield Lisa C Harrington Nathan Runnicles William R G Macpherson Stuart G Martin
Registered number	123842
Registered office	1 Waverley Place Union Street St Helier Jersey JE1 1SG
Independent auditor	Deloitte LLP Statutory Auditor Leeds, UK LS1 2AL

INDIGOCYAN BIDCO LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 1 JUNE 2018

The Directors present their report and the financial statements for the period ended 1 June 2018.

Principal activity

The company was incorporated on 12 May 2017 and these financial statements cover the 55 week period to 1 June 2018.

The company acts as an intermediate holding company within the IndigoCyan Topco Limited group, and the directors do not expect this activity to change in the foreseeable future.

Results and dividends

The loss before taxation for the year was £53,061,449. There were no dividends paid in the period under review.

Directors

The Directors who served during the period and subsequent to the period end , except as indicated,were:

Christopher N A Patton (appointed 15 May 2017, resigned 17 May 2017)

John H Cosnett (appointed 15 May 2017, resigned 17 May 2017)

David W Wells (appointed 17 May 2017, resigned 23 June 2017)

Richard P Blackburn (appointed 17 May 2017)

William R G Macpherson (appointed 23 June 2017)

Ian P Johnson (appointed 23 June 2017, resigned 25 May 2018)

Stuart G Martin (appointed 23 June 2017)

Ben Pike (appointed 23 June 2017)

Julie A Noone (appointed 23 June 2017)

Robert Lucas (appointed 23 June 2017)

Andrew C Mayfield (appointed 23 November 2017)

Lisa C Harrington (appointed 15 March 2018)

Nathan Runnicles (appointed 25 May 2018)

INDIGOCYAN BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JUNE 2018

Principal risks and uncertainties

The Company's subsidiaries operate in a competitive market and have a number of key competitors. The Group manages this risk by providing competitively priced, high quality, flexible learning solutions and maintaining strong relationships with its customers.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including liquidity, price risk and credit risk. The Group does not use derivative financial instruments for speculative purposes.

Liquidity risk

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Group operates a centralised treasury function, features of which include intercompany cash transfers and management of operating lease contracts.

Price risk

The Group is exposed to limited price risk and historically market prices have shown a high level of stability.

Credit risk

The Group's principal financial assets are bank balances and trade debtors.

The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provision for doubtful debts. A provision is made where there is objective evidence of non-recovery of the debt.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Future developments

The Directors do not anticipate any changes to the company's principal activity.

INDIGOCYAN BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JUNE 2018

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out on page 2.

The Group has significant debt, primarily with its major ultimate shareholder which is a substantial provider of private equity funds and which is supportive to the Group. The debt is not repayable in the foreseeable future, being a period of at least 12 months from the date of signing and approving these financial statements. The Group has long-standing agreements with many customers across the UK, and a leading position within its key markets. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully in the current economic climate.

The Group has funding arrangements with its banks which include drawn term loans and a revolving credit facility. These arrangements and appropriate financial covenants were negotiated in June 2017 and take account of financial projections which reflect the Group's trading expectations in the current economic climate.

On this basis, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing and approving these financial statements. In making this assessment, the Directors have considered the cash flow forecasts of the Group, the availability of financial resources and facilities and compliance with covenants. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Disabled employees

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

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors and officers and these remain in force at the date of this report.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

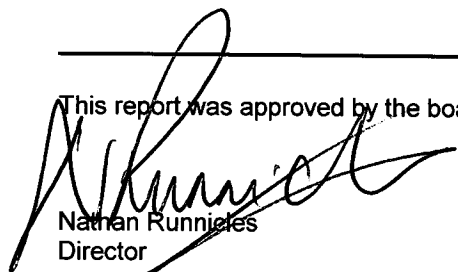
There have been no significant events affecting the Company since the year end.

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with the Companies (Jersey) Law 1991.

INDIGOCYAN BIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 1 JUNE 2018**

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

A handwritten signature in black ink, appearing to read 'N. Runnicles', is written over the text 'This report was approved by the board and signed on its behalf.' and the name 'Nathan Runnicles'.

Nathan Runnicles
Director

Date: 5/2/19

INDIGOCYAN BIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 1 JUNE 2018

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations..

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework ". The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, ; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that 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 (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of IndigoCyan BidCo Limited (the 'company'):

- **give a true and fair view of the state of the company's affairs as at 01 June 2018 and of its loss for the year then ended;**
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and**
- **have been prepared in accordance with Companies (Jersey) Law, 1991.**

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

We 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed 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.

Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was in relation to the recoverability of debtors due from group undertakings
Materiality	The materiality that we used in the current year was £2,157,000 which was determined on the basis of 0.31% of total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Key audit matters

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) that we identified. These matters included 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.

Recoverability of debtors from group undertakings

Key audit matter description



Debtors from group undertakings are stated in the balance sheet at £160,359,000.

There is judgement involved in determining the recoverability of these debtors from group undertakings based on the financial position and future prospects of the group undertakings. This takes into consideration a range of factors such as the trading performance of the group undertakings, the expected revenue growth and discount rates.

Further details are included within the critical accounting estimates and judgements section of the statement of accounting policies and the debtors' note 3 in the financial statements.

How the scope of our audit responded to the key audit matter



We reviewed the directors' judgements regarding the appropriateness of the carrying value through obtaining a copy of the latest audited financial information and our understanding of the future trading performance of the group undertakings by assessing the ability of the group undertakings to repay these amounts.

We reviewed management's cash flow projections, challenging the key assumptions based on our knowledge of the business and general market conditions affecting the group undertakings, our understanding of the future performance of the business and assessed the potential risk of management bias.

We reviewed the historical accuracy of management's forecasts by comparing the actual results to forecasts.

Key observations



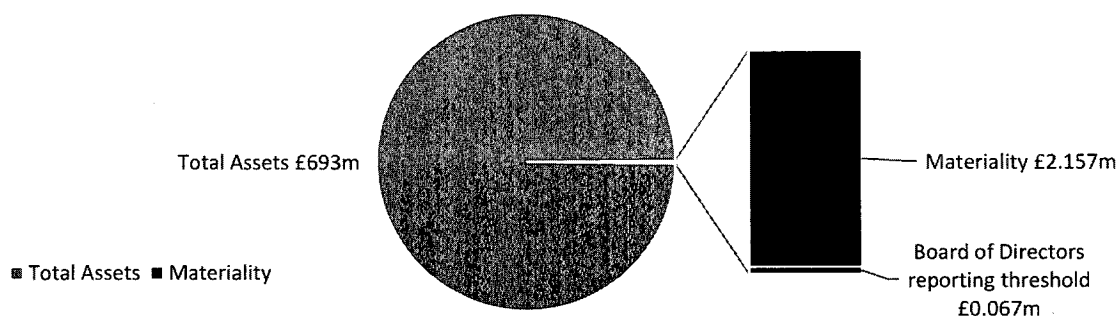
Based on the work performed we concluded that debtors from group undertakings are appropriately stated.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£2,157,000
Basis for determining materiality	0.31% of total assets
Rationale for the benchmark applied	We determined materiality based on total assets as this is the key metric used by management, investors, analysts and lenders, with shareholder value being driven by total assets value movements.



We agreed with the Board of Directors that we would report to the Board all audit differences in excess of £67,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies (Jersey) Law, 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. 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.



Matthew Hughes BSc (Hons), ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, UK

5 February 2019

INDIGOCYAN BIDCO LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 1 JUNE 2018**

	Note	2018 £
Administrative expenses		(145)
Exceptional items	6	(127,154)
Operating loss	2	(127,299)
Interest receivable and similar income	3	13,021,980
Interest payable and expenses	4	(65,956,130)
Loss before tax		(53,061,449)
Tax on loss	5	-
Loss for the financial period		(53,061,449)

There was no other comprehensive income for 2018.

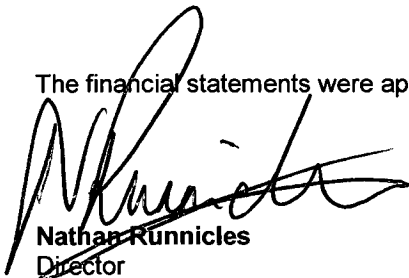
The notes on pages 13 to 22 form part of these financial statements.

INDIGOCYAN BIDCO LIMITED

BALANCE SHEET
AS AT 1 JUNE 2018

	Note	2018 £
Fixed assets		
Investments	7	532,910,944
		<u>532,910,944</u>
Current assets		
Debtors: amounts falling due within one year	8	160,358,596
Cash at bank and in hand	9	108,179
		<u>160,466,775</u>
Total assets less current liabilities		<u>693,377,719</u>
Creditors: amounts falling due after more than one year	10	(745,489,168)
Net liabilities		<u><u>(52,111,449)</u></u>
Capital and reserves		
Called up share capital	12	950,000
Profit and loss account		(53,061,449)
		<u><u>(52,111,449)</u></u>

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



Nathan Runnicles
Director

Date: 5/2/19

INDIGOCYAN BIDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JUNE 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the period			
Loss for the period	-	(53,061,449)	(53,061,449)
Total comprehensive income for the period	-	(53,061,449)	(53,061,449)
Shares issued during the period	950,000	-	950,000
Total transactions with owners	950,000	-	950,000
At 1 June 2018	950,000	(53,061,449)	(52,111,449)

The notes on pages 13 to 22 form part of these financial statements.

INDIGOCYAN BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JUNE 2018

1. Accounting policies

General information and basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies (Jersey) Law 1991.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies (Jersey) Law 1991.

IndigoCyan Bidco Limited ("the Company") is a company incorporated in Jersey under the Companies (Jersey) Law 1991. The Company is a private company limited by shares and is registered in Jersey.

The company was incorporated on 12 May 2017 and these financial statements cover the 55 week period to 1 June 2018.

The functional and presentational currency of the Company is considered to be Pound Sterling because that is the currency of the primary economic environment in which the Company operates.

On 29 November 2017, £630,665,865 Unsecured A Loan Notes were admitted to the Official List of The International Stock Exchange, Guernsey

The Company meets the definition of a qualifying entity under FRS 101 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates.

New Standards adopted as at 12 May 2017

IFRS 15 'Revenue from Contracts with Customers' and the related 'Clarifications to IFRS 15 Revenue from Contracts with Customers' (hereinafter referred to as 'IFRS 15') replace IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. Although only mandatory for annual reporting periods beginning on or after 1 January 2018, the Company has elected to apply IFRS 15 early, on 12 May 2017. The early adoption of IFRS 15 has had no effect on these financial statements.

The new Standard for financial instruments (IFRS 9) replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets. Although only mandatory for annual reporting periods beginning on or after 1 January 2018, the Company has elected to apply IFRS 9 early, on 12 May 2017. The early adoption of IFRS 9 has had no impact on the results of the company in the period.

INDIGOCYAN BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JUNE 2018

1. Accounting policies (continued)

New and amended standards

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting period beginning on or after 2 June 2018. The Group has elected not to adopt early these standards which are described below:

Annual Improvements to IFRS standards 2014-2016 cycle (Amendments to IFRS 1 and IAS 28) (effective date 1 January 2018);

IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective date 1 January 2018);

Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (effective 1 January 2018); and

Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 insurance Contracts (effective 1 January 2018).

The above are not expected to have a material impact on the financial statements unless indicated. There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

INDIGOCYAN BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JUNE 2018

1. Accounting policies (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out on page 2.

The Group, of which the Company is a part, has significant debt, primarily with its major shareholder which is a substantial provider of private equity funds and which is supportive to the Group. The debt is not repayable in the foreseeable future, being a period of at least 12 months from the date of signing and approving these financial statements. The Group has long-standing agreements with many customers across the UK, and a leading position within its key markets. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully in the current economic climate.

The Group has funding arrangements with its banks which include drawn term loans and a revolving credit facility. These arrangements and appropriate financial covenants were negotiated in June 2017 and take account of financial projections which reflect the Group's trading expectations in the current economic climate.

On this basis, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing and approving these financial statements. In making this assessment, the Directors have considered the cash flow forecasts of the Group, the availability of financial resources and facilities and compliance with covenants. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Exceptional items

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

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

INDIGOCYAN BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JUNE 2018

1. Accounting policies (continued)

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Debtors

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

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

All financial assets and liabilities are initially measured at transaction price except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value. Debt instruments are subsequently measured at amortised cost using the effective interest method.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies described above the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are explained in the individual accounting policies above and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Impairment of investments in subsidiaries and non-financial assets

The Company conducts impairment reviews of investments in subsidiaries and non-financial assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

INDIGOCYAN BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JUNE 2018

1. Accounting policies (continued)

Finance costs

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

Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2. Auditors remuneration

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements amounted to £2,500 and were borne by another group company.

3. Interest receivable

	2018 £
Interest receivable from group companies	13,021,980
	<u>13,021,980</u>

4. Interest payable and similar expenses

	2018 £
Loans from group undertakings	65,956,130
	<u>65,956,130</u>

INDIGOCYAN BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JUNE 2018**

5. Taxation

	2018 £
Total current tax	<u>-</u>
Deferred tax	<u>-</u>
Total deferred tax	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>
Factors affecting tax charge for the period	

The tax assessed for the period is the same as the standard rate of corporation tax of 0% as set out below:

	2018 £
Loss on ordinary activities before tax	<u>(53,061,448)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax of 0%	-
Effects of:	
Total tax charge for the period	<u>-</u>

6. Exceptional items

	2018 £
Refinancing costs	<u>127,154</u>
	<u>127,154</u>

Refinancing costs represent expenditure in relation to the Group refinancing exercise in June 2017.

INDIGOCYAN BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JUNE 2018**

7. Fixed asset investments

	Investments in subsidiary companies £
Cost	
Additions	532,910,944
At 1 June 2018	532,910,944
 Net book value	
At 1 June 2018	532,910,944

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Ichnaea UK Holdings Limited*	England and Wales	Ordinary	100 %	Holding company
Ichnaea UK Limited*	England and Wales	Ordinary	100 %	Holding company
Seckloe 208 Limited*	England and Wales	Ordinary	100 %	Holding company
QAHE Limited*	England and Wales	Ordinary	100 %	Holding company
QAHE (Mdx) Limited*	England and Wales	Ordinary	100 %	Provision of higher education
QAHE Solent Limited*	England and Wales	Ordinary	100 %	Provision of higher education
QAHE Services Limited*	England and Wales	Ordinary	100 %	Provision of higher education
QAHE (UR) Limited*	England and Wales	Ordinary	100 %	Provision of higher education
QAHE (Ulst) Limited*	England and Wales	Ordinary	100 %	Provision of higher education
QA Limited*	England and Wales	Ordinary	100 %	Provision of training services
Focus Project Management(Europe) Limited*	England and Wales	Ordinary	100 %	Provision of higher education
QAHE (NU) Limited*	England and Wales	Ordinary	100 %	Provision of higher education
QA Gateway Limited*	England and Wales	Ordinary	86 %	Holding company

INDIGOCYAN BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Fixed asset investments (continued)

QA Consulting Services Limited*	England and Wales	Ordinary	86 %	Provision of higher education
QA-IQ Holdings Limited*	England and Wales	Ordinary	100 %	Holding company
QA-IQ Group Limited*	England and Wales	Ordinary	100 %	Holding company
QA-IQ Investments (UK) Limited*	England and Wales	Ordinary	100 %	Holding company
M2 Education (Hong Kong)Limited*	Hong Kong	Ordinary	73 %	Provision of higher education
Ichnaea Jersey Holdings Limited*	Jersey	Ordinary	100 %	Holding company
Ichnaea Jersey Limited*	Jersey	Ordinary	100 %	Holding company

* indirect subsidiaries

For those subsidiaries incorporated in England & Wales, have the registered office of Rath House, 55-56 Uxbridge Road, Slough, Berkshire, SL1 1SG

For those subsidiaries incorporated in Hong Kong, have the registered office of 4th Floor, VC House, 4-6 Lan Street, Central, Hong Kong.

For those subsidiaries incorporated in Jersey, have the registered office address of 1 Waverley Place, Union Street, St Helier, Jersey, JE1 1SG

8. Debtors

	2018
	£
Amounts owed by group undertakings	160,358,596

Amounts owed by group undertakings include loans amounting to £144,274,879 which are repayable on demand and subject to interest at 10%. The remaining balance is repayable on demand and attracts no interest.

9. Cash and cash equivalents

	2018
	£
Cash at bank and in hand	108,179

INDIGOCYAN BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JUNE 2018**

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

	2018 £
Amounts owed to parent undertakings	53,610,268
Amounts owed to group undertakings	691,878,900
	<u>745,489,168</u>

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2018 £
Repayable other than by instalments	745,489,168
	<u>745,489,168</u>

Amounts owed to parent undertakings are repayable in 2047 and attract interest at a rate of 10%. Amounts owed to group undertakings represents loan notes issued to IndigoCyan Holdco 3 Limited. These loan notes are repayable in 2047 and attract interest at a rate of 10%. These loan notes are listed on The International Stock Exchange, Guernsey

11. Financial instruments

	2018 £
Financial assets	
Cash and bank balances	108,179
Financial assets that are debt instruments measured at amortised cost	160,358,597
Financial assets that are equity instruments measured at cost less impairment	-
	<u>160,466,776</u>
Financial liabilities	
Financial liabilities measured at amortised cost	745,489,168

Financial assets that are debt instruments measured at amortised cost comprise loans to group undertakings.

Financial liabilities measured at amortised cost comprise loans from group undertakings.

INDIGOCYAN BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JUNE 2018

12. Share capital

	2018 £
Allotted, called up and fully paid	
950,000 ordinary shares of £1 each	950,000

On incorporation 1 Ordinary shares of £1 each was issued at par. On 21 June 2017 a further 9 Ordinary shares of £1 each were issued and par. On 23 June 949,990 Ordinary shares of £1 each were issued.

Each share carries pari passu voting and distribution rights.

The Company's other reserves are as follows:

- The profit and loss reserve represents cumulative profit or losses, net of dividends.

13. Related party transactions

The Company has taken advantage of the exemption included in FRS 101 Section 8(k) not to disclose transactions with entities that are wholly owned members of the group headed by IndigoCyan Holdco 3 Limited.

14. Controlling party

The Directors regard IndigoCyan Holdings Jersey Limited, a company registered in Jersey, as the ultimate holding company and IndigoCyan MidCo Limited, a company registered in Jersey, as the immediate parent company.

The Company is exempt from producing consolidated accounts on the grounds that it is included in the consolidated accounts of IndigoCyan Holdco 3 Limited, a company registered in Jersey. Copies of the consolidated accounts of IndigoCyan Holdco 3 Limited which include the results of the Company can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The Company's registered address is 1 Waverley Place, Union Street, St Helier, Jersey, JE1 1SG.