

Company Registration No. 12012545 (England and Wales)

APOLLO BIDCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2019

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APOLLO BIDCO LIMITED

COMPANY INFORMATION

Directors	P Hunt A McEwan G Potts
Company number	12012545
Registered office	Lansdowne Gate 65 New Road Solihull West Midlands B91 3DL England
Auditor	RSM UK Audit LLP Chartered Accountants St Philips Point Temple Row Birmingham West Midlands B2 5AF

APOLLO BIDCO LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present the Strategic Report for the period ended 31 December 2019.

Fair review of the business

The company acts solely as a holding company and paid interest on inter-company loans in the current year. The directors expect no change to this position in the foreseeable future.

During the year, the company's activity was that of a holding company therefore the company does not have any KPI's to monitor the performance of the business.

The directors continually review and evaluate the risks that the company is facing. The principal risks and uncertainties facing the company relate primarily to its trading investments in Phoebus Software Limited and are broadly grouped as follows:

Impairment risk

The largest asset on the company's balance sheet is the investment in group undertakings. The carrying value of these assets reflect the underlying value to the company of these investments based on net asset values and an estimate of the discounted expected future cash flows, and recognises that they are held for long-term investment purposes. Impairment risk is where the carrying value of an investment cannot be supported, and consequently an impairment provision should be made as the asset is overstated. The company manages this risk by performing impairment reviews of its investments on a regular basis and making suitable provisions as necessary.

Financial asset risk

Financial asset risk is where the recoverability of debts due from fellow group companies cannot be supported, and consequently a provision should be made as the asset is overstated. The company manages this risk by performing reviews of its intra-group debtors on a regular basis and making suitable provisions as necessary. It also agrees suitable repayment plans with fellow group companies.

Financial liability risk

The largest liability on the company's balance sheet is the amount due to group undertakings. Financial liability risk is where the company cannot settle its liabilities as they fall due for payment. The company manages this risk by agreeing suitable repayment plans with fellow group companies.

On behalf of the board



P Hunt
Director

Date: 23/07/2020

APOLLO BIDCO LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the period ended 31 December 2019.

Principal activities

The principal activity of the company during the period was of a holding company.

Incorporation

The company was incorporated on 22 May 2019 and commenced trading on 17 June 2019.

Change of accounting period

The company has shortened its period to the 31 December 2019 in line with the group.

Directors

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

P Hunt	(Appointed 17 June 2019)
A McEwan	(Appointed 17 June 2019)
G Potts	(Appointed 22 May 2019)
R Freer	(Appointed 13 June 2019 and resigned 17 June 2019)

Results and dividends

The results for the period are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Post reporting date events

On 11 March 2020, the outbreak of the coronavirus, COVID-19, was declared by the World Health Organisation to be a pandemic. The business is primarily influenced by the state of the UK economy. The current COVID-19 crisis has introduced material uncertainty into the economy, and there is a risk that both existing clients and potential new clients will hold back on some of their planned investments in technology.

The impact of COVID-19 has impacted the valuation of the majority of companies globally. This may impact the carrying value of the investments and intangible assets held on the balance sheet; however this is a non adjusting post balance sheet event as defined by FRS 102 and does not impact the carrying value as at 31 December 2019.

The longer term impact of COVID-19 on the carrying value of these assets on the balance sheet is uncertain and the impact will be reassessed at 31 December 2020.

Auditor

RSM UK Audit LLP was appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, RSM UK Audit LLP will be deemed to be re-appointed in the absence of a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

APOLLO BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

Going concern

The business is primarily influenced by the state of the UK economy. The current COVID-19 crisis has introduced material uncertainty into the economy, and there is a risk that both existing clients and potential new clients will hold back on some of their planned investments in technology.

The directors are satisfied that their response to the COVID crisis has been both swift and decisive. A strong business continuity plan was executed in mid-March 2020, with all staff being directed to work from home and the office closed in line with government guidelines.

A conscious decision was also taken to proactively communicate with clients and to reassure them that our support of their businesses would remain unaffected – a decision well received by our client base.

Following this, the directors are pleased to report that there has been no interruption to the support provided to our clients with the release of software continuing to be made to clients remotely. The decision made 3 years ago to replace staff desktop PCs with laptops and to invest in cloud-based infrastructure has meant that staff are able to work remotely with ease.

Whilst we are seeing the delay in some project work from clients, the mission critical nature of the core offering means that 35% of the group revenue and cashflow is protected, even in the current economic slowdown.

To protect the group's financial position during this period of uncertainty, cost controls and strict overhead management is being implemented across the group.

Whilst this situation has made our future pipeline of discretionary project work less clear, the forward forecast position is being monitored closely by management with several mitigating actions identified should financial performance fall below agreed trigger points.

However, as at the end of June 2020, the group still had a strong cash position, coupled with the deferral of VAT and PAYE payments due in the second quarter of 2020 agreed with HMRC, the directors are confident that, with strong working capital management, the company will be able to meet its liabilities for the next 12 months without financial assistance from their private equity investors, who have maintained a highly supportive stance throughout.

The group has reset Covenants with the bank to reflect the post Covid trading position. The group has prepared revised post Covid forecasts and, taking into account cost savings that have been enacted, the revised, sensitised forecasts indicate that the group has significant headroom against its covenants for the for period for at least 12 months from the date of signing of these accounts.

The private equity investors have also confirmed in writing that despite performance targets in the investment agreement not being met, they do not intend to seek repayment of the loan notes due from the group until their expiry in 2024. As with any group placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so. Based on this understanding, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company has net current liabilities of £3,348,166. The company is dependant upon the ongoing support of Apollo Topco Limited, the parent undertaking which at the year-end was owed £2,307,177 by the company.

Apollo Topco Limited has confirmed that it will continue to provide financial support to the company for a period of at least twelve months from the date of approval of the financial statements.

On this basis, the directors are confident that the company will continue to meet its external financial commitments and considers it appropriate to apply the going concern basis to the preparation of the financial statements.

APOLLO BIDCO LIMITED

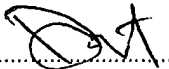
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

Strategic Report

Information on financial risk management objectives and policies as required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 including principle risks and uncertainties has been included in the Strategic Report.

On behalf of the board



P Hunt
Director

Date: 23/07/2020

APOLLO BIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Opinion

We have audited the financial statements of Apollo Bidco Limited (the 'company') for the period ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APOLLO BIDCO LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

Richard Eccles FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
West Midlands, B2 5AF

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23/7/20

APOLLO BIDCO LIMITED

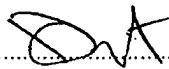
STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019

		Period ended 31 December 2019 £
	Notes	
Interest payable and similar expenses	5	(553,918)
Loss before taxation		(553,918)
Tax on loss	6	-
Loss for the financial period		<u>(553,918)</u>

APOLLO BIDCO LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£
Fixed assets			
Investments	7	13,616,223	
Current assets			
Debtors	9	49,224	
			49,224
			13,665,447
Capital and reserves			
Called up share capital	13	5,890	
Profit and loss reserves	14	(553,918)	
			(548,028)
Creditors: amounts falling due within one year	10	3,397,390	
Creditors: amounts falling due after more than one year	11	10,816,085	
			13,665,447

The financial statements were approved by the board of directors and authorised for issue on 23/7/2020 and are signed on its behalf by:



 P Hunt
 Director

APOLLO BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Period ended 31 December 2019:				
Loss and total comprehensive income for the period		-	(553,918)	(553,918)
Issue of share capital	13	5,890	-	5,890
		<u>5,890</u>	<u>(553,918)</u>	<u>(548,028)</u>
Balance at 31 December 2019		<u>5,890</u>	<u>(553,918)</u>	<u>(548,028)</u>

APOLLO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Apollo Bidco Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Lansdowne Gate, 65 New Road, Solihull, West Midlands, England, B91 3DL.

The company's principal activities and nature of its operations are disclosed in the Strategic Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosure

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Group accounts exemption

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of Apollo Topco Limited. These consolidated financial statements are available from its registered office, Lansdowne Gate, 65 New Road, Solihull, West Midlands, England, B91 3DL.

APOLLO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Going concern

The business is primarily influenced by the state of the UK economy. The current COVID-19 crisis has introduced material uncertainty into the economy, and there is a risk that both existing clients and potential new clients will hold back on some of their planned investments in technology.

The directors are satisfied that their response to the COVID crisis has been both swift and decisive. A strong business continuity plan was executed in mid-March 2020, with all staff being directed to work from home and the office closed in line with government guidelines.

A conscious decision was also taken to proactively communicate with clients and to reassure them that our support of their businesses would remain unaffected – a decision well received by our client base.

Following this, the directors are pleased to report that there has been no interruption to the support provided to our clients with the release of software continuing to be made to clients remotely. The decision made 3 years ago to replace staff desktop PCs with laptops and to invest in cloud-based infrastructure has meant that staff are able to work remotely with ease.

Whilst we are seeing the delay in some project work from clients, the mission critical nature of the core offering means that 35% of the group revenue and cashflow is protected, even in the current economic slowdown.

To protect the group's financial position during this period of uncertainty, cost controls and strict overhead management is being implemented across the group.

Whilst this situation has made our future pipeline of discretionary project work less clear, the forward forecast position is being monitored closely by management with several mitigating actions identified should financial performance fall below agreed trigger points.

However, as at the end of June 2020, the group still had a strong cash position, coupled with the deferral of VAT and PAYE payments due in the second quarter of 2020 agreed with HMRC, the directors are confident that, with strong working capital management, the company will be able to meet its liabilities for the next 12 months without financial assistance from their private equity investors, who have maintained a highly supportive stance throughout.

The group has reset Covenants with the bank to reflect the post Covid trading position. The group has prepared revised post Covid forecasts and, taking into account cost savings that have been enacted, the revised, sensitised forecasts indicate that the group has significant headroom against its covenants for the for period for at least 12 months from the date of signing of these accounts.

The private equity investors have also confirmed in writing that despite performance targets in the investment agreement not being met, they do not intend to seek repayment of the loan notes due from the group until their expiry in 2024. As with any group placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so. Based on this understanding, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

APOLLO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

The company has net current liabilities of £3,348,166. The company is dependant upon the ongoing support of Apollo Topco Limited, the parent undertaking which at the year-end was owed £2,307,177 by the company. Apollo Topco Limited has confirmed that it will continue to provide financial support to the company for a period of at least twelve months from the date of approval of the financial statements.

On this basis, the directors are confident that the company will continue to meet its external financial commitments and considers it appropriate to apply the going concern basis to the preparation of the financial statements.

Reporting period

The current reporting period has been shortened to 7 months ended 31 December 2019, as the company changed its accounting reference date to bring it in line with the group.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

APOLLO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including other creditors, bank loans, and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

APOLLO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk are:

Impairment of fixed asset investments

Determining on whether the fixed assets investments are impaired requires an estimate of the value in use of the cash generating units to which these assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate to present value. The carrying value of investments is £13,616,223 (see note 7).

3 Employees

All employees and directors were employed by Phoebus Software Limited.

4 Audit remuneration

Fees payable of £2,000 to RSM UK Audit LLP and its associates in respect of auditor remuneration is met by Phoebus Software Limited, a subsidiary of the company.

5 Interest payable and similar expenses

	2019
	£
Interest on bank overdrafts and loans	36,136
Amortisation of debt issue costs	30,036
Other interest on financial liabilities	487,746
	<hr/>
	553,918
	<hr/>

APOLLO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

6 Taxation

The total tax charge for the period included in the Statement of Comprehensive Income can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2019 £
Loss before taxation	(553,918)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(105,244)
Tax effect of expenses that are not deductible in determining taxable profit	46,828
Change in unrecognised deferred tax assets	58,416
Taxation charge for the period	-

The company has an unrecognised deferred tax asset in respect of unused tax losses and short term timing differences of £52,267 that is being carried forward to offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses and timing differences as there is insufficient certainty over the timing of when the losses will be utilised.

7 Fixed asset investments

	Notes	2019 £
Investments in subsidiaries	8	13,616,223

Movements in fixed asset investments

	Shares in group undertakings £
Cost	
At 22 May 2019	-
Additions	13,616,223
At 31 December 2019	13,616,223
Carrying amount	
At 31 December 2019	13,616,223

On 17 June 2019, the company acquired the entire share capital of Phoebus Holdings Limited for a consideration of £13,616,223 (including legal fees).

APOLLO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

8 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Phoebus Holdings Limited	1	Holding company	Ordinary shares	100	-
Phoebus Software Limited	1	Business and domestic software development	Ordinary shares	-	100
Phoebus Financial Software Limited	1	Dormant	Ordinary shares	-	100

Registered Office address:

1 Lansdowne Gate, 65 New Road, Solihull, West Midlands, England, B91 3DL

9 Debtors

	2019 £
Amounts falling due within one year:	
Other debtors	49,224
	<u>49,224</u>

10 Creditors: amounts falling due within one year

	Notes	2019 £
Bank loans and overdrafts	12	253,847
Amounts owed to group undertakings		3,143,543
		<u>3,397,390</u>

11 Creditors: amounts falling due after more than one year

	Notes	2019 £
Debenture loans	12	7,893,152
Bank loans	12	2,529,708
Accruals		393,225
		<u>10,816,085</u>

APOLLO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

12 Borrowings

	Debt finance loans	Bank loans
	7,893,152	2,783,555
	10,676,707	
	253,847	10,422,860
	Payable within one year	Payable after one year

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are fixed rates that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deteriorations or changes in relevant legislation or taxation.

The £6,345,338 10% series A1 secured loan note of £6,345,338 is repayable on 17 June 2024. The £3,000,000 10% series A2 secured loan note of £3,000,000 is repayable on 17 June 2020. On 11 October 2019, £3,000,000 10% series A2 loan notes were repaid.

The £1,835,951 5% series B secured loan note of £1,835,951 is repayable on 17 June 2024. Interest of £393,225 has been accrued in respect of loan notes. Debenture loans are stated net of debt issue costs of £288,137.

The above loan notes are secured against the assets of Phoebus Software Limited, a subsidiary of the company. The company has two bank loans. The first is repayable by quarterly instalments until September 2024 and bears an interest rate of 3.25% plus LIBOR. The second is repayable in full in October 2025 and bears an interest rate of 3.75% plus LIBOR. Bank loans are stated net of debt issue costs of £111,420. Both loans are secured by a fixed and floating charge on all assets of the group.

13 Share capital

	Ordinary share capital issued and fully paid	588,970 Ordinary shares of 1p each
	5,890	
	5,890	
	£	
2019		

On incorporation, 1 ordinary share of £0.01 was issued at nominal value of £0.01.

On 17 June 2019, 588,969 ordinary shares of £0.01 was issued at nominal value of £0.01.

The ordinary shares have full voting, distributions and capital rights. The ordinary shares are not redeemable.

APOLLO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

14 Reserves

Profit and loss reserves

Cumulative profit and loss net of distribution of owners.

Share premium

Consideration received for shares issued above their nominal value of transaction costs.

15 Financial commitments, guarantees and contingent liabilities

The company is party to a cross guarantee arrangement between other entities of the group in respect of borrowings. As at 31 December 2019, the group borrowings totalled £10,676,707. These borrowings are secured over the assets of the group entities.

16 Events after the reporting date

On 11 March 2020, the outbreak of the coronavirus, COVID-19, was declared by the World Health Organisation to be a pandemic. The business is primarily influenced by the state of the UK economy. The current COVID-19 crisis has introduced material uncertainty into the economy, and there is a risk that both existing clients and potential new clients will hold back on some of their planned investments in technology.

The impact of COVID-19 has impacted the valuation of the majority of companies globally. This may impact the carrying value of the investments and intangible assets held on the balance sheet; however this is a non adjusting post balance sheet event as defined by FRS 102 and does not impact the carrying value as at 31 December 2019.

The longer term impact of COVID-19 on the carrying value of these assets on the balance sheet is uncertain and the impact will be reassessed at 31 December 2020.

17 Related party transactions

The following amounts were outstanding at the reporting end date:

	2019 £
Amounts due from related parties	
Other related parties	49,224
	<u> </u>

Other related parties are entities with directors in common control.

18 Ultimate controlling party

The ultimate and immediate parent undertaking, largest and smallest undertaking in which results are consolidated is Apollo Topco Limited. Copies of the consolidated accounts are available at Lansdowne Gate, 65 New Road, Solihull, West Midlands, England, B91 3DL.