

Armour Bidco Limited

Annual Report and Financial Statements

For the period ended 31 December 2019

Armour Bidco Limited

Company Information

Directors	M Dircks J K Seebeck	(Appointed 4 January 2019)
Company number	11427572	
Registered office	Building One Trident Business Park Styal Road Manchester United Kingdom M22 5XB	

Armour Bidco Limited

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Armour 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 was that of an intermediate holding company.

Directors

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

M Dircks

J K Seebeck

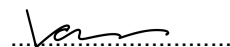
(Appointed 4 January 2019)

Results and dividends

The results for the period are set out on page 3.

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

On behalf of the board



J K Seebeck

Director

Date: 1/28/2021

Armour Bidco Limited

Directors' Responsibilities Statement

For the period ended 31 December 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Armour Bidco Limited

Profit and loss account

For the period ended 31 December 2019

		Period ended 31 December 2019 £	Period ended 1 July 2018 £
	Notes		
Interest payable and similar expenses	2	(5,793,681)	-
Loss before taxation		(5,793,681)	-
Taxation	3	-	-
Loss for the financial period		(5,793,681)	-

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

Armour Bidco Limited

Statement of Comprehensive Income

For the period ended 31 December 2019

	Period ended 31 December 2019 £	Period ended 1 July 2018 £
Loss for the period	(5,793,681)	-
Other comprehensive income		
Currency translation differences	(1,191,136)	-
Total comprehensive income for the period	<u>(6,984,817)</u>	<u>-</u>

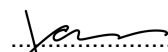
Armour Bidco Limited

Balance Sheet

As at 31 December 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investments	4	134,184,807		-	
Current assets		-		-	
Creditors: amounts falling due within one year	6	(4,681,776)		-	
Net current liabilities		(4,681,776)			-
Total assets less current liabilities		129,503,031			-
Creditors: amounts falling due after more than one year	7	(68,969,312)			-
Net assets		60,533,719			-
Capital and reserves					
Called up share capital	9	672,417		-	
Share premium account		66,569,322		-	
Capital reserves		276,797		-	
Profit and loss reserves		(6,984,817)		-	
Total equity		60,533,719			-

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



J.K. Seebeck

Director

Company Registration No. 11427572

Armour Bidco Limited

Statement of Changes in Equity

For the period ended 31 December 2019

	Notes	Share capital £	Share premium account £	Capital reserves £	Profit and loss reserves £	Total £
Balance at 21 June 2018		-	-	-	-	-
Period ended 1 July 2018:						
Profit and total comprehensive income for the period		-	-	-	-	-
Balance at 1 July 2018		-	-	-	-	-
Period ended 31 December 2019:						
Loss for the period		-	-	-	(5,793,681)	(5,793,681)
Other comprehensive income:						
Currency translation differences		-	-	-	(1,191,136)	(1,191,136)
Total comprehensive income for the period		-	-	-	(6,984,817)	(6,984,817)
Issue of share capital	9	672,417	66,569,322	-	-	67,241,739
Received in the year	9	-	-	276,797	-	276,797
Balance at 31 December 2019		672,417	66,569,322	276,797	(6,984,817)	60,533,719

Armour Bidco Limited

Notes to the Financial Statements

For the period ended 31 December 2019

1 Accounting policies

Company information

Armour Bidco Limited is a private company limited by shares incorporated in England and Wales. The registered office is Building One, Trident Business Park, Styal Road, Manchester, United Kingdom, M22 5XB.

1.1 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.

The company's functional currency is US dollars (\$) and its presentational currency is sterling (£). The financial statements are prepared in sterling. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company is an intermediate holding company and as such has no trading activities. The company's subsidiary, Avecto Limited, is the main trading entity in the group and was acquired by the company for a consideration of £134 million. At the balance sheet date, Avecto Limited, generated a profit for the period of £16.7 million and had net assets at that date of £19.3 million. Subsequent to the period end, taking into consideration the impact of coronavirus and the measures taken both in the UK and overseas, Avecto Limited has continued to trade in line with earlier expectations and has adapted well to the impact of the pandemic. In addition, BeyondTrust group, which is a global software solutions of which the company is a member, has traded successfully amid the COVID-19 pandemic.

Wrigley Holdings L.P. has confirmed that it will provide financial support to Armour Bidco Limited and Avecto Limited as and when needed to meet its financial liabilities for a period of at least 12 months from the date of approval of the financial statements. As a result, the directors believe that the company will be able to continue in business and meet its liabilities as they fall due and based on this the directors consider it appropriate to prepare these financial statements on a going concern basis.

1.3 Reporting period

These financial statements are for the period from 2 July 2018 to 31 December 2019. The comparatives represent the results for the period from 21 June 2018 to 1 July 2018.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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.

1 Accounting policies

(Continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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 debtors and cash and bank balances, 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Armour Bidco Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Interest payable and similar expenses

	2019	2018
	£	£
Interest payable to group undertakings	5,793,681	-

3 Taxation

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Loss before taxation	(5,793,681)	-
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)</i>	(1,100,799)	-
Unutilised tax losses carried forward	1,100,799	-
Taxation charge for the period	-	-

4 Fixed asset investments

	Notes	2019	2018
		£	£
Investments in subsidiaries	5	134,184,807	-

Armour Bidco Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2019

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 2 July 2018	-
Additions	134,184,807
At 31 December 2019	134,184,807
Carrying amount	
At 31 December 2019	134,184,807
At 1 July 2018	-

5 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Avecto Limited	United Kingdom	Software distribution	Ordinary	100.00	-
BT Software Europe Limited	United Kingdom	Non-trading	Ordinary	100.00	-
Bomgar Germany GmbH	Germany	Software distribution	Ordinary	-	100.00
Bomgar France Sarl	France	Software distribution	Ordinary	-	100.00
Bomgar UK Limited	United Kingdom	Non-trading		-	100.00

During the year, the company acquired Avecto Limited from third parties and BT Software Europe Limited as part of the group restructuring.

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts due to group undertakings	4,681,776	-

Armour Bidco Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2019

7 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Other borrowings	8	68,969,312	-

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	68,969,312	-
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8 Loans and overdrafts

	2019 £	2018 £
Loans from group undertakings	68,969,312	-
Payable after one year	68,969,312	-

The loans from group undertakings are loan notes issued to the company's parent undertaking. These loan notes are unsecured and attract interest at Three Month LIBOR plus 4% per annum. The loan notes are repayable at the earlier of 31 October 2026 or such date agreed by the company and the noteholder.

9 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
86,651,727 Ordinary Shares of \$0.01 each (2018: 1)	672,417	-
	672,417	-

During the year, the company issued 86,651,726 Ordinary shares of \$0.01 at a premium of \$0.99 per share.

10 Controlling party

The company's immediate parent undertaking is BeyondTrust Software Inc, a company incorporated in the United States of America. The company's ultimate parent and controlling undertaking is Wrigley Holdings L.P, a limited partnership in the United States of America.