

# Elite Bidco Limited

Annual report and financial statements

For the year ended 31 March 2021

*Registered number: 11380593*

# Elite Bidco Limited

## Annual report and financial statements

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# Elite Bidco Limited

## Directors and other information

<b>Directors</b>	R Finegan J Balfour N Hale S Doherty
<b>Registered office</b>	Connect House 133-137 Alexandra Road Wimbledon London SW19 7JY
<b>Auditor</b>	KPMG The Soloist Building 1 Lanyon Place Belfast BT1 3LP
<b>Bankers</b>	AIB 92 Ann Street Belfast BT1 3HH
<b>Solicitors</b>	Burness Paul LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ
<b>Registered number</b>	11380593

# Elite Bidco Limited

## Strategic report *(continued)*

### Strategic report

The directors present their strategic report for the year ended 31 March 2021.

#### **Fair review of the business**

The company's principal activity is to act as a holding company to its subsidiaries.

There has been no significant change in these activities during the year ended 31 March 2021.

In March 2020, amounts of £4,175,993 and £323,366 10% fixed rate secured investor loan notes 2028 together with an unlimited amount of payment in kind notes were admitted to the Official List of The International Stock Exchange. A subsequent amount of £451,259 10% fixed rate secured investor loan notes 2028 was then admitted to the Official List of The International Stock Exchange in February 2021.

#### **Principal risk and uncertainties**

The principal risks and uncertainty facing the company relate to the carrying value of its investment in its subsidiary undertaking and the dividend stream from the underlying subsidiaries in order to meet the liquidity obligations on external debt. Certain elements of the inputs used by management in the assessment of the carrying value of the investment in its subsidiary undertakings are judgemental in nature and managements' assessment is based on the financial performance and financial position of its subsidiary.

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Elite Topco Limited. Accordingly, the principal risks and uncertainties are discussed in the annual report and accounts of Elite Topco Limited which does not form part of this report. These consolidated financial statements are available to the public from Companies House.

The company uses financial instruments throughout its business. The core risks associated with the company's financial instruments (i.e. cash, trade receivables and payables) are currency risk (arising from the company's subsidiary trading in various currencies), credit risk and liquidity risk. The board reviews and agrees policies for the prudent management of these risks.

#### **Covid-19 risk**

The principal risks and uncertainties to the company's trading subsidiary arising from the outbreak of Covid-19 include:

- Supply chain disruption from supplier operations affected by Covid-19 or increased lead time for deliveries due to government restrictions
- Manufacturing issues due to labour shortages arising from recommended isolation times for all suspected cases of Covid-19
- Reduction in working capital and cash-flow pressures arising from a reduction in demand in the general market
- Government crisis management and imposed restrictions on movement of goods and people
- Impact on customers operations

The company's subsidiary has given increased focus and attention to the forecasting function for both production planning and short-term profitability. The company's subsidiary with its role in the supply chain of electrical components, has been assessed as essential and government restrictions and measures do not affect its operation or the rights of its employees to attend work.

# Elite Bidco Limited

## Strategic report *(continued)*

### **Currency risk**

The company's subsidiary trades in various currencies. Variances affecting the operational activities in this regard are reflected in the administrative expenses in the profit and loss account in the years in which they arise.

### **Interest rate risk**

The company's objective in relation to interest rate management is to minimise the impact of interest rate volatility.

### **Liquidity and cash flow risk**

The company's objective is to maintain a balance between the continuity of funding and flexibility through the use of borrowings. The company's policy is to ensure that sufficient resources are available either from cash balances or from dividends received from subsidiaries to ensure all obligations can be met, when they fall due.

### **Brexit risk**

Management have assessed the risk associated with the UK's decision to leave the EU, and do not consider that Brexit poses a significant risk to the entity.

### **Development and performance**

During the year the company acted as a holding company for its subsidiary undertakings. The directors have no plans to change the operations of this entity and continue to assess any opportunities for further acquisitions.

The results for the year and financial position at the year-end are as expected by the directors given the payment in respect of the contingent consideration payable to the directors. Going forward these costs will not recur.

### **Going concern**

Having considered the future trading prospects of the company's trading subsidiary and the expected future dividend stream resulting therefrom, and reviewing existing banking arrangements, including forecast covenant compliance and payments due to the lender, the directors are confident that the company will have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. As such, they continue to adopt the going concern basis in preparing the annual report and accounts.

### **Key performance indicators**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. A discussion of the development, performance and position of the business in the context of the group as a whole is provided in the annual report of Elite Topco Limited which does not form part of this report.

# Elite Bidco Limited

## Strategic report *(continued)*

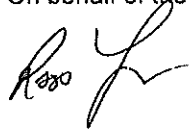
### Research and development

The company believes that performance will continue to improve as a result of ongoing research and development.

### *Environment*

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce water waste wherever possible. The company is governed by the Health and Safety at Work (Northern Ireland) Order 1978 and has an ongoing commitment to safety, environmental protection, sustainability, pollution prevention, waste reduction, and energy and water efficiency.

On behalf of the board



Mr R Finegan  
*Director*



Mr J Balfour  
*Director*

2 September 2021

# Elite Bidco Limited

## Directors' report *(continued)*

### Directors' report

The directors present their directors' report for the year ended 31 March 2021.

#### Principal activities

The principal activity of the company is to act as a holding company to its subsidiaries.

#### Results and dividends

The results for the year are set out on page 14 of the financial statements. The directors have not recommended a dividend.

#### Directors

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

Mr R Finegan  
Mr J Balfour  
Mr N Hale  
Mr S Doherty

#### Political contributions

The company did not make any disclosable political donations nor incurred any political expenditure in either the current or the previous financial year.

#### Future developments

Future plans for the company entail continued growth via a combination of organic growth of subsidiary companies and potential business acquisitions.

#### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Auditor

The auditors, KPMG, have indicated their willingness to continue in office in accordance with the provisions of Section 487 of the Companies Act 2006.

On behalf of the board



Mr R Finegan  
Director



Mr J Balfour  
Director

2 September 2021

## Elite Bidco Limited

### Statement of director's responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

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

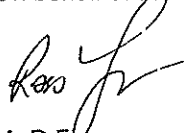
Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

On behalf of the board



Mr R Finegan  
Director



Mr J Balfour  
Director

2 September 2021





**KPMG**  
**Audit**  
The Soloist Building  
1 Lanyon Place  
Belfast BT1 3LP  
Northern Ireland

## Independent auditor's report to the members of Elite Bidco Limited for the year ended 31 March 2021

### Report on the audit of the financial statements

#### **Opinion**

##### **Opinion**

We have audited the financial statements of Elite Bidco Limited ('the Company') for the year ended 31 March 2021 set out on pages 14 to 28, which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard as applied to a listed entity, 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**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included considering the inherent risks to the Company's business model and analysing how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



## Independent auditor's report to the members of Elite Bidco Limited for the year ended 31 March 2021 *(continued)*

### ***Conclusions relating to going concern (continued)***

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

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

### **Detecting irregularities including fraud**

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors as to the Company's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Reading board committee minutes to highlight any instances of irregularities, including fraud.
- Performing analytical procedures over year end balances and movements year on year to highlight any irregularities.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.



## Independent auditor's report to the members of Elite Bidco Limited for the year ended 31 March 2021 *(continued)*

### **Detecting irregularities including fraud *(continued)***

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.
- Assessing the disclosures in the financial statements.

As the Company is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Company operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### ***Key audit matters: our assessment of risks of material misstatement***

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



Independent auditor's report to the members of Elite Bidco Limited  
for the year ended 31 March 2021 *(continued)*

***Key audit matters: our assessment of risks of material misstatement (continued)***

In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2020):

**Carrying value of investments in subsidiary undertakings £26,177,841 (2019: £26,177,841))**

***Refer to page 18 (accounting policy) and page 24 (financial disclosures)***

***Description of the key audit matter***

The carrying value of the Company's investment in subsidiary undertakings amounts to £26,177,841 at 31 March 2021. No provision was recognised against this amount during the year.

There is a risk relating to the valuation of these balances where carrying values may not be supported by the performance of investments where economic conditions have negatively effected profitability, or where there are poor trading conditions.

***How the matter was addressed in our audit***

Our audit procedures to assess the valuation of fixed asset investments in subsidiary undertakings included but were not limited to the following:

Assessing the assumptions and indicators of impairment used by management and challenging the assumptions used regarding sustainability of earnings based on plans of the subsidiary undertaking and whether these were achievable.

Obtaining an underlying audited financial statement in respect of the company's subsidiary undertakings; and

Obtain corroborating evidence to support management's assessment over the carrying value of investments in subsidiary undertakings.

We found judgements and assumptions made in relation to the valuation of fixed asset investments in subsidiary undertakings and the related disclosures to be reasonable.

**Our application of materiality and an overview of the scope of our audit:**

Materiality for the financial statements as a whole was set at £283,200 (2020: £525,640), determined with reference to a benchmark of total assets, of which it represents 1% (2020: 1.89%). We applied materiality to assist us determine what risks were significant risks and the procedures to be performed.

In applying our judgement in determining the most appropriate benchmark, the factors which had the most significant impact were:

- the elements of the financial statements, as an investment holding company, total assets is deemed an appropriate measure;
- the items on which the attention of the users of the particular entity's financial statements tends to be focused, being investment balances; and
- the entity's ownership structure and the way it is financed, as most debt lies with ultimate owners, total assets is deemed a more appropriate measure than net assets.



## Independent auditor's report to the members of Elite Bidco Limited for the year ended 31 March 2021 *(continued)*

### **Our application of materiality and an overview of the scope of our audit *(continued)***

In applying our judgement in determining the percentage to be applied to the benchmark, the following qualitative factors were considered:

- Concentration of ownership - concentration of ownership in a small number of well-informed individuals;
- Debt arrangements – the entity holds listed debt and medium term bank loan, lenders have access to management information and do not rely solely on audited financial statements;
- Business environment – the entity operates in a stable business environment; and
- Other sensitivities – Few changes in stakeholders have occurred or are expected.

We set performance materiality at a level lower than materiality to reduce the probability that in aggregate, uncorrected and undetected audit misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 75% of materiality (2020: 75%).

In applying our judgement in determining performance materiality, the following factors were considered to have the most significant impact on our assessment:

- No significant deficiencies have been previously identified in respect of the control environment in place including entity level controls;
- Stability in the senior management and key financial reporting personnel over the last 3 years; and
- Limited number of audit misstatements have been identified.

We applied performance materiality to assist us to determine what risks were significant.

We reported to the Directors any corrected or uncorrected identified misstatements exceeding £14,600 (2020: £26,282), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed by one engagement team in Belfast.

### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report and the strategic report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.



## Independent auditor's report to the members of Elite Bidco Limited for the year ended 31 March 2021 *(continued)*

### **Opinions on other matters prescribed by the Companies Act 2006**

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

### ***We have nothing to report on the other matters on which we are required to report by exception***

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Respective responsibilities and restrictions on use**

#### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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 fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



Independent auditor's report to the members of Elite Bidco Limited  
for the year ended 31 March 2021 *(continued)*

***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

A handwritten signature in black ink, appearing to read 'Dominic Mudge', written in a cursive style.

7 September 2021

**Dominic Mudge (Senior Statutory Auditor)**  
**for and on behalf of**  
**KPMG Statutory Auditor**  
The Soloist Building  
1 Lanyon Place  
Belfast  
BT1 3LP

## Elite Bidco Limited

### Profit and loss account and statement of other comprehensive income for the year ended 31 March 2021

	Note	Year ended 31 March 2021	Year ended 31 March 2020 £
Administrative expenses	3	(18,141)	(2,876,662)
Other operating income	4	600,000	1,200,000
<b>Operating profit/(loss)</b>	5	<b>581,859</b>	<b>(1,676,662)</b>
Income from interests in group undertakings	6	7,635,917	2,370,970
Interest payable and similar expenses	7	(2,103,978)	(2,058,938)
<b>Profit/(loss) before taxation</b>		<b>6,113,798</b>	<b>(1,364,630)</b>
Tax on loss	9	-	-
<b>Profit/(loss) for the financial year</b>		<b>6,113,798</b>	<b>(1,364,630)</b>
Other comprehensive income		-	-
<b>Total comprehensive profit/(loss) for the year</b>		<b>6,113,798</b>	<b>(1,364,630)</b>

The notes on pages 17 to 28 form part of these financial statements.

All of the results of the company derive from continuing operations.



# Elite Bidco Limited

## Balance sheet as at 31 March 2021

	Note	31 March 2021 £	31 March 2021 £	31 March 2020 £	31 March 2020 £
<b>Fixed assets</b>					
Investments in subsidiaries	10		26,177,841		26,177,841
<b>Current assets</b>					
Debtors: due within one year	11	2,145,317		1,561,017	
Creditors: due within one year	12	(1,595,591)		(7,120,073)	
Net current assets/(liabilities)			549,726		(5,559,056)
<b>Total assets less current liabilities</b>			26,727,567		20,618,785
<b>Non-Current Liabilities:</b>					
Creditors: due after more than one year	13		(23,862,935)		(23,867,951)
Net assets/(liabilities)			2,864,632		(3,249,166)
<b>Capital and reserves</b>					
Called up share capital	15		1		1
Profit and loss account			2,864,631		(3,249,167)
Shareholders' funds/(deficit)			2,864,632		(3,249,166)

These financial statements were approved by the board of directors on 2 September 2021 and were signed on its behalf by:



Ross Finegan  
Director

Company registered number: 11380593

The notes on pages 17 to 28 form part of these financial statements.

# Elite Bidco Limited

## Statement of changes in equity for the year ended 31 March 2021

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2019	1	(1,884,537)	(1,884,536)
<b>Total comprehensive loss for the year</b>			
Loss for the year	-	(1,364,630)	(1,364,630)
<b>Total comprehensive loss for the year</b>	-	(1,364,630)	(1,364,630)
Transactions with owners, recorded directly in equity			
Issue of shares	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-
Balance at 31 March 2020	1	(3,249,167)	(3,249,166)
Balance at 1 April 2020	1	(3,249,167)	(3,249,166)
<b>Total comprehensive profit for the year</b>			
Profit for the year	-	6,113,798	6,113,798
<b>Total comprehensive profit for the year</b>	-	6,113,798	6,113,798
Transactions with owners, recorded directly in equity			
Issue of shares	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-
<b>Balance at 31 March 2021</b>	<b>1</b>	<b>2,864,631</b>	<b>2,864,632</b>

The notes on pages 17 to 28 form part of these financial statements.

# Elite Bidco Limited

## Notes

*forming part of the financial statements*

### 1 Accounting policies

Elite Bidco Limited (the "company") is a private company incorporated, domiciled and registered in England and Wales. The registered number is 11380593 and the registered address is Connect House, 133-137 Alexandra Road, Wimbledon, London, SW19 7JY.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") and the Companies Act 2006. The functional and presentation currency of these financial statements is sterling.

The company's ultimate parent undertaking, Elite Topco Limited includes the company in its consolidated financial statements. The consolidated financial statements of Elite Topco Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Elite Topco Limited, Cannon Place, 78 Cannon St, London, EC4N 6AF. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Elite Topco Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are discussed in note 2.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis as modified by certain financial liabilities at fair value through profit or loss.

# Elite Bidco Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.2 Going concern

Having considered the future trading prospects of the company's trading subsidiary and the expected future dividend stream resulting therefrom, and reviewing existing banking arrangements, including forecast covenant compliance and payments due to the lender, the directors are confident that the company will have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. As such, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### 1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- \* they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- \* where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### 1.4 Basic financial instruments

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Investments in subsidiaries*

Interest 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. Having considered the impact of Covid-19 on the trading subsidiary, the directors are satisfied that there are no indicators of impairment.

#### 1.5 Other financial instruments

##### *Financial instruments not considered to be Basic financial instruments (Other financial instruments)*

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- \* hedging instruments in a designated hedging relationship shall be recognised as set out below.

# Elite Bidco Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Other financial instruments (continued)

##### *Derivative financial instruments and hedging*

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

#### 1.6 Impairment excluding stocks and deferred tax assets

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. Assets are derecognised when they no longer meet the criteria for recognition.

#### 1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

#### 1.8 Contingent Consideration

Consideration which is contingent on future events is recognised based on the fair value of the estimated amount if the contingent consideration is probable and can be measured reliably. Contingent consideration that is paid to sellers that remain employed and linked to future services is considered remuneration and is expensed as incurred.

#### 1.9 Dividend income

Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

#### 1.10 Interest payable

Interest payable on bank and third party loans is recognised in the profit and loss account as they accrue using the effective interest rate method.

# Elite Bidco Limited

## Notes *(continued)*

### 1 Accounting policies *(continued)*

#### 1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in associates to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

# Elite Bidco Limited

## Notes (continued)

### 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.

#### *Critical judgements*

The directors do not consider that there are any key assumptions or critical judgements concerning the future and other key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amount of asset or liabilities within the next financial year.

3	Administrative expenses	31 March 2021	31 March 2020
		£	£
	Post combination remuneration (see note 15)	-	2,726,000
	Other administrative costs	18,141	150,662
		<hr/>	<hr/>
		18,141	2,876,662
		<hr/>	<hr/>
4	Other operating income	31 March 2021	31 March 2020
		£	£
	Management charge receivable from group undertakings	600,000	1,200,000
		<hr/>	<hr/>
		600,000	1,200,000
		<hr/>	<hr/>

### 5 Operating profit/loss

Fees payable to KPMG and their associates for the audit of the company's annual accounts were £9,060 (2020: £9,060) and have been borne by Elite Topco Limited.

# Elite Bidco Limited

## Notes (continued)

<b>6</b>	<b>Income from interests in group undertakings</b>	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
	Dividend income from group undertakings	7,635,917	2,370,970
		<u>7,635,917</u>	<u>2,370,970</u>
<b>7</b>	<b>Interest payable and similar expenses</b>	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
	Interest payable on bank loan	452,907	423,382
	Interest payable on loan notes	1,536,023	1,396,428
	Unwinding of discount on contingent consideration (see note 12)	115,048	239,128
		<u>2,103,978</u>	<u>2,058,938</u>

## 8 Employees and directors

The company has no employees apart from the directors. As outlined in note 12 an amount of £nil (2020: £2,726k) was charged to the profit or loss account in respect of post combination remuneration. This post combination represents directors' remuneration. Of this post combination remuneration, the amount charged in respect of the highest paid director was £nil (2020: £1,816k).



# Elite Bidco Limited

## Notes (continued)

### 9 Taxation

*Total tax expenses recognised in the profit and loss account:*

The company incurred no tax charge during the year.

The tax credit for the year is lower (2020: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	31 March 2021	31 March 2020 £
Profit/(Loss) before taxation	6,113,797	(1,364,630)
Tax using the UK corporation tax rate of 19%	1,161,621	(259,280)
Expenses not deductible for tax purposes	-	532,253
Dividend income not taxable	(1,450,824)	(450,485)
Deferred tax not recognised	14,163	41,308
Impact of changes in tax rates	1,666	4,860
Group relief surrendered at nil value	273,373	131,344
	<hr/>	<hr/>
Total current tax credit	-	-
	<hr/>	<hr/>

#### *Deferred taxation*

As of 31 March 2021, the company had an unrecognised deferred tax asset of £116,216 (2020: £102,053). This asset had not been recognised in the financial statements due to uncertainty regarding its recoverability.

#### *Factors which may affect future tax:*

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

# Elite Bidco Limited

## Notes (continued)

<b>10 Investments in subsidiaries</b>	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
<b>Cost</b>		
Balance at commencement of year	26,177,841	26,177,841
Additions	-	-
Impairment	-	-
	<u>26,177,841</u>	<u>26,177,841</u>

The company has the following investments in subsidiaries:

Name	Registered office Address	Nature of business	Class of shares held	Percentage of shares held	
				Direct	indirect
Elite Electronic Systems Holdings Ltd	Lackaboy Industrial Estate, Killyvilly, Enniskillen, BT74 4RL	Holding company	Ordinary	100	-
Elite Electronic Systems Ltd	Lackaboy Industrial Estate, Killyvilly, Enniskillen, BT74 4RL	Design and manufacture of printed circuit boards and cable assemblies	Ordinary	-	100
Elite Electronic Systems (Ireland) Ltd	Ardmore House, Main St, Ballyshannon, Co Donegal	Design and manufacture of printed circuit boards and cable assemblies	Ordinary	-	100

Elite Electronic Systems (Ireland) Ltd was incorporated on 5<sup>th</sup> April 2019 and is a wholly owned subsidiary of Elite Electronic Systems Holdings Ltd. This company has not traded throughout the year ended 31 March 2021.

<b>11 Debtors: due within one year</b>	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Amounts due from parent undertaking	1	1
Amounts due from subsidiary undertakings	2,070,000	1,470,000
Prepayments	75,316	91,016
	<u>2,145,317</u>	<u>1,561,017</u>

Amounts due from other group companies are interest free, unsecured and repayable on demand.

# Elite Bidco Limited

## Notes (continued)

<b>12 Creditors: due within one year</b>	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Amounts due to parent undertaking	<b>1,951</b>	1,951
Accruals	<b>18,140</b>	-
Bank loans (net of arrangement fee) (see note 14)	<b>1,575,500</b>	1,926,122
Contingent consideration *	-	5,192,000
	<hr/>	<hr/>
	<b>1,595,591</b>	<b>7,120,073</b>
	<hr/>	<hr/>

Amounts due to parent undertaking are interest free, unsecured and repayable on demand.

\* Contingent consideration related to amounts paid to the vendors which was contingent upon the operational performance of the trading subsidiary post acquisition. This represented post combination remuneration and was charged to the profit and loss account in 2019 and 2020 as directors' remuneration. £nil (2020: £2,726,000) of this was included within administration expenses in the year ended 31 March 2021, while £115,048 (2020: £239,128) (see note 7) was included within interest costs. The contingent consideration was dependent upon the trading results for the years ended 31 March 2019 and 31 March 2020 and was paid in full (together with accrued interest) in the year ended 31 March 2021.

<b>13 Creditors: due after more than one year</b>	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Bank loans (net of arrangement fee) (see note 14)	<b>6,946,461</b>	8,487,500
Loan notes – parent company (see note 14)	<b>5,445,580</b>	4,950,618
Amounts due to group undertakings (see note 14)	<b>8,538,658</b>	7,764,115
Directors' loan notes (see note 14)	<b>2,932,236</b>	2,665,718
	<hr/>	<hr/>
	<b>23,862,935</b>	<b>23,867,951</b>
	<hr/>	<hr/>

# Elite Bidco Limited

## Notes (continued)

### 14 Interest bearing loans and borrowings

This note provides information about the contractual terms of the company's interest bearing loans and borrowings which are measured at amortised cost.

#### Analysis of debt:

An analysis of the maturity of loans is given below:

	31 March 2021 £	31 March 2020 £
Within one year	1,575,500	1,926,122
In the second to fifth year	6,946,461	8,487,500
Over five years	16,916,474	15,380,451
	<u>25,438,435</u>	<u>25,794,073</u>

Terms and debt repayment schedule:

	Currency	Notional interest rate	Year of maturity	Repayment schedule	2021 £	2020 £
LCP loan note deed	£	10%	2028	*	5,445,580	4,950,618
Directors' loan note deed	£	10%	2028	*	2,932,236	2,665,718
Elite Topco Limited consideration loan notes	£	10%	2028	*	2,984,575	2,713,485
Elite Topco Limited loan	£	10%	2028	*	5,554,083	5,050,630
First Trust Bank Facility A	£	LIBOR + cost margin	2023	**	3,521,961	5,413,622
First Trust Bank Facility B	£	LIBOR + cost margin	2023	***	5,000,000	5,000,000
					<u>25,438,435</u>	<u>25,794,073</u>

\* Principal + accrued interest on 31 Dec 2028

\*\* Facility A is repayable in quarterly instalments, consisting of £387,500 in capital repayments in addition to interest costs. Interest is charged at LIBOR plus a margin which is dependent upon the achievement of financial covenants and which was 2.75% throughout the year.

\*\*\* Facility B is on an interest only basis at present, with interest being paid on a quarterly basis. Interest is charged at LIBOR plus a margin which is dependent upon the achievement of financial covenants and which was 3% throughout the year.

### 15 Capital and reserves

	31 March 2021 £	31 March 2020 £
<b>Ordinary share capital</b>		
<i>Allotted, called up and fully paid</i>		
1 ordinary shares of £1 each	1	1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share at meetings of the company.

# Elite Bidco Limited

## Notes (continued)

### 16 Related parties

To the extent not disclosed elsewhere in these financial statements, details of related party transactions and balances are disclosed below.

#### *Transactions with fellow group companies*

The company is a qualifying entity under Financial Reporting Standard 102 and as a wholly owned subsidiary has taken the exemption available under section 33.1A from disclosing transactions with any companies that are wholly owned within the group.

#### *Transactions with key management personnel*

Key management in the current year are considered to be the board of directors. Details of directors' remuneration (which is also the remuneration of key management personnel) is set out in note 8.

On 27<sup>th</sup> June 2018, as part of the acquisition of Elite Electronic Systems Holdings Limited and Elite Electronic Systems Limited, the company purchased the entire share capital of Elite Electronic Systems Holdings Limited from directors (and family members) of Elite Bidco Limited and issued vendor loan notes and consideration loan notes to the directors. Details of these loan notes are set out in note 14.

Name	Position	Issue of vendor loan notes	Issue of consideration loan notes	Interest accrued on vendor loan notes	Settlement of consideration loan notes through issue of shares in parent company*	Balance outstanding at year end
N Hale	Director	£899,445	£917,616	£273,449	(£917,616)	£1,172,894
J Balfour	Director	£1,349,167	£1,376,423	£410,175	(£1,376,423)	£1,759,342
Lonsdale	Ultimate controlling party	£4,175,993	-	£1,269,587	-	£5,445,580

- \* Note – whilst shares were issued to the director by the parent company as settlement for the consideration loan notes held by them in the entity, the liability in respect of the consideration loan notes also transferred to the parent entity and is included in note 14 – loans and borrowings.

Interest payable in the current and prior year on loans is set out below:

	31 March 2021	31 March 2020
	£	£
N Hale	106,606	97,195
J Balfour	159,912	145,791
Lonsdale	494,962	451,259
	<u>761,480</u>	<u>694,245</u>

## Elite Bidco Limited

### Notes *(continued)*

#### **17 Ultimate controlling party**

The company is a wholly owned subsidiary undertaking of Elite Topco Limited, a company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Elite Topco Limited. The consolidated financial statements of this group are available to the public from the registered address of Elite Topco Limited, Cannon Place, 78 Cannon St, London, EC4N 6AF.

On 27th June 2018, Lonsdale Capital Partners indirectly acquired a majority shareholding in Elite Bidco Limited, via Elite Topco Limited. The Company is indirectly under the control of Lonsdale Capital Partners as of this date. Prior to the transaction in the previous year the company was under the control of the Balfour family.