

Emperor 3 Limited
Company Registration No. 09044855

Annual Report and Financial Statements

For the year ended 31 March 2022



Emperor 3 Limited

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Emperor 3 Limited

OFFICERS AND PROFESSIONAL ADVISORS

Directors

R Rogozinski

D Babin JR

Company Secretary

Aileen Young

Registered Office

Capitol House

Bond Court

Leeds

LS1 5EZ

Auditor

CLA Evelyn Partners Limited

Chartered Accountants & Statutory Auditor

Onslow House, Onslow Street

Guildford

GU1 4TL

Emperor 3 Limited

Directors' Report For the year ended 31 March 2022

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March 2022.

Directors

The directors during the financial year and to the date of signing these financial statements are shown on page 1.

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditors, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors on 16/12/2022 and signed on behalf of the Board.

Ron Rogozinski

Ron Rogozinski (Dec 16, 2022 09:47 CST)

R Rogozinski
Director

Emperor 3 Limited

Annual Report and Financial Statements For the year ended 31 March 2022

Directors' responsibilities statement

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), including 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 year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that 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.

Emperor 3 Limited

Independent auditor's report to the members of Emperor 3 Limited For the year ended 31 March 2022

Opinion

We have audited the financial statements of Emperor 3 Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the notes to the financial statements, including 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 March 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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.

Emphasis of matter – not a going concern

We draw attention to note 1b of the financial statements which explains that the financial statements have not been prepared on a going concern basis for the reasons set out in that note.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Emperor 3 Limited

Independent auditor's report to the members of Emperor 3 Limited (continued)

For the year ended 31 March 2022

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

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

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with the framework through:

- Outsourcing tax compliance to external experts.

Emperor 3 Limited

Independent auditor's report to the members of Emperor 3 Limited (continued)

For the year ended 31 March 2022

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements via fraudulent postings.

The procedures we carried out to gain evidence in the above areas included:

- Testing of all material transactions in the year.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

Stephen Drew

Stephen Drew (Dec 17, 2022 18:17 GMT)

Stephen Drew
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

Onslow House
Onslow Street
Guildford
Surrey
GU1 4TL

Date: 17/12/2022

Emperor 3 Limited

Statement of Income and Retained Earnings

For the year ended 31 March 2022

		Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
	Notes		
Administrative expenses		(871)	-
Operating (Loss)	3	<u>(871)</u>	<u>-</u>
Interest receivable and similar income	4	612	497
Interest payable and similar expenses	5	<u>(26,731)</u>	<u>(23,854)</u>
Loss before taxation		<u>(26,990)</u>	<u>(23,357)</u>
Tax on profit on ordinary activities	6	-	-
Loss for the financial year		<u><u>(26,990)</u></u>	<u><u>(23,357)</u></u>

All amounts relate to continuing activities.

There was no other comprehensive income other than the profit for the current and previous years. Therefore, a separate statement of other comprehensive income has not been presented.

Emperor 3 Limited

Balance Sheet

As at 31 March 2022

	Notes	2022 £'000	2021 £'000
Current assets			
Debtors: amounts falling due within one year	7	<u>165,227</u>	<u>165,487</u>
		165,227	165,487
Creditors: amounts falling due within one year	8	<u>(322,562)</u>	<u>(295,831)</u>
Net current liabilities		<u>(157,335)</u>	<u>(130,344)</u>
Total assets less current liabilities		(157,335)	(130,344)
Creditors: amounts falling due after more than one year		<u>-</u>	<u>-</u>
Net Liabilities		<u>(157,335)</u>	<u>(130,344)</u>
Capital and reserves			
Share capital	9	-	-
Profit and loss account		<u>(157,335)</u>	<u>(130,344)</u>
Shareholders' deficit		<u>(157,335)</u>	<u>(130,344)</u>

The financial statements of Emperor 3 Limited (registration number 09044855) were approved by the Board of Directors and authorised for issue on 16/12/2022 . They were signed on its behalf by

Ron Rogozinski
Ron Rogozinski (Dec 16, 2022 09:47 CST)

R Rogozinski
Director

Emperor 3 Limited

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Emperor 3 Limited is a limited company incorporated in the United Kingdom under the Companies Act 2006. The company is a private company limited by shares, and is registered in England & Wales. The address of the registered office is given on page 1.

These financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

The company is included in the consolidated financial statements of Solera Global Corp which are publicly available (see note 10).

Emperor 3 Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in relation to financial instruments and the presentation of a cash flow statement.

b. Going concern

It is the intention of the directors to dissolve the company in due course.

In the above circumstances UK accounting standards do not permit the financial statements to be prepared on a going concern basis. Being prepared on a basis other than the going concern basis can include, where appropriate, writing down assets to their net realisable value; however no such adjustment was necessary. No provision is made for any anticipated future losses.

c. Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Emperor 3 Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

1 Accounting policies (continued)

c. Financial instruments (continued)

(i) Financial assets and liabilities (continued)

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current year or prior years.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in subsidiaries are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Emperor 3 Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

1 Accounting policies (continued)

d. Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective of impairment, an impairment loss is recognised in profit or loss.

e. Taxation

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

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

f. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the year in which they arise.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.

Emperor 3 Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

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

In preparing the financial statements, the directors have made the following judgements:

- Determining whether there are indicators of impairment of the debtors due from other group companies. Factors taken into consideration in reaching a decision include the economic viability and expected future financial performance of the corresponding companies, as well as any significant changes to the technological, market, economic or legal environments in which they operate.

Management believe there are no further areas that involve a higher degree of judgement or areas where assumptions and estimates are material to the financial statements.

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
3 Operating loss		

Impairment provision in respect of an inter-company debt	871	-
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The auditors remuneration for 2022 and 2021 was paid by another group company.

The company has no employees other than the directors, who did not receive any remuneration (2021: £nil) from the company but who were remunerated by other group companies.

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
4 Interest receivable and similar income		

Interest receivable from group companies	612	497
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	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
5 Interest payable and similar expenses		

Loans from group undertakings	26,731	23,854
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Emperor 3 Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

6 Taxation	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
The tax comprises:		
Current tax on profit		
UK Corporation tax	-	-
Total current tax	-	-
Deferred tax	-	-
Total tax	-	-

The standard rate of tax applied to reported profit is 19% (2021: 19%).

There is no expiry date on timing differences, unused tax losses or tax credits.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2021: 25%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The company has carried forward non-trade loan relationships debits of £9,360,000 (2021: £9,360,000); no deferred tax asset is recognised as the eventual recovery is considered to be uncertain.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax of 19% (2021: 19%) to the loss before tax is as follows:

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Loss before tax	(26,990)	(23,357)
Tax at 19% (2021: 19%)	(5,128)	(4,438)
Effects of:		
- Expense not deductible for tax purposes, other than goodwill amortisation and impairment	-	-
- Surrender of tax losses for no consideration	5,128	4,438
Total tax charge	-	-

Emperor 3 Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

	2022 £'000	2021 £'000
7 Debtors		
Amounts owed by group undertakings	165,227	165,487
	<u>165,227</u>	<u>165,487</u>
8 Creditors: amounts falling due within one year	2022 £'000	2021 £'000
Amounts owed to group companies	322,562	295,831
	<u>322,562</u>	<u>295,831</u>
9 Share capital	£	£
Called up, allotted and fully paid:		
10,000 A ordinary shares of £0.01 each	100	100
1 B ordinary share of £0.01	-	-
	<u>100</u>	<u>100</u>

The A and B shares rank pari pasu, save that:

- (1) the shareholders have the right to appoint and remove directors through a simple majority, such a majority to be measured by reference to the nominal value of the shares held.
- (2) in a general meeting, the A shares have 99,999,990 votes (to be allocated to the A shareholders in proportion to the number of shares held) and the B share has 10 votes.
- (3) the shares carry rights to dividends and returns on capital in the same proportion as the voting rights.

10 Ultimate and immediate parent companies

Emperor 2 (Midco) Limited, registered office Capitol House, Bond Court, Leeds, LS1 5EZ, is the immediate parent company. The parent undertaking of the smallest group in which the results of the company are consolidated is Audatex (Schweiz) GmbH. The parent undertaking of the largest group in which the company is consolidated is Solera Global Corp. The financial statements of Solera Global Corp. may be obtained from 1500 Solana Boulevard, Building 6, Suite 6300, Westlake, TX 76262, USA.

The ultimate parent company and ultimate controlling party is Vista Equity Partners Management, LLC.