

Company Registered Number 09262306

KALLIDUS INTERMEDIARY LIMITED

**Report and Financial Statements
for the year ended 30 June 2020**



KALLIDUS INTERMEDIARY LIMITED

FINANCIAL STATEMENTS 2020

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KALLIDUS INTERMEDIARY LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

R S Caul
P J Pyle
S G Varnish (appointed 12 August 2019)

REGISTERED OFFICE

5 Fleet Place
London
EC4M 7RD

ACCOUNTANTS

Deloitte LLP
3 Rivergate
Temple Quay
Bristol
BS1 6GD
United Kingdom

KALLIDUS INTERMEDIARY LIMITED

STRATEGIC REPORT

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

The Company was incorporated on 13 October 2014 and on 30 January 2015 purchased 100% of the share capital of Kallidus Bidco Limited.

The principal activity of the Company is that of a holding company. The Company forms part of a wider Group ultimately owned by Kallidus Holdings Limited. The principal activity of the wider Group is the provision of software systems, e-learning and consultancy services to support the effective development of an organisation's employees.

Review of the business

The business acquired Kallidus Bidco Limited and its wholly owned subsidiaries Kallidus Target Limited, Kallidus Limited and Intraventure Limited, on 30 January 2015. Kallidus Limited is the main trading subsidiary of the wider Group and its trading for the year ended 30 June 2020 is reviewed within its own strategic report. Kallidus Target is an intermediary holding company and Intraventure Limited is a dormant company.

Key performance indicators

There are no relevant key performance indicators given the Company is a holding company.

Principal risks and uncertainties

The key risks and uncertainties affecting the wider Group and therefore Company are considered to relate to reduction in product demand, market change, loss of key management personnel, changes in technology, financial risks and damage to reputation. Financial risks are discussed in the Directors' Report below.

Future developments Type text here

The directors expect the Company to continue as a holding company. Kallidus Limited is anticipated to grow its organic sales, gross margin and EBITDA over the next 12 months to generate cash to service the Company's future loan note obligations.



S G Varnish
Director

26 February 2021

KALLIDUS INTERMEDIARY LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company, together with the unaudited financial statements, for the year ended 30 June 2020.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments can be found in the Strategic Report and form part of this report by cross-reference. There are no post-balance sheet events to report.

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being the period of at least 12 months from the signing of these financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the notes to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks, including cash flow risk and liquidity risk.

Cash flow risk

The Company has no significant concentration of cash flow risk. Whilst the Group's wider activities occasionally expose it to the financial risk of changes in foreign currency exchange rates, since 91% of the Group's turnover is derived from the UK, the risk associated with such transactions is considered to be relatively low.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing Group operations and future developments, the Company uses long-term term debt finance in the form of a bank term loan. As the Kallidus Group continues to be cash generative, its reliance on such long term debt finance will diminish over time and the Company is repaying the debt in line with the agreed repayment plan.

DIVIDENDS

The directors do not recommend payment of a dividend for the period ended 30 June 2020 (2019: £nil).

DIRECTORS

The directors, who served throughout the period, and subsequently, were as follows:

R S Caul	
P J Pyle	
I G Slater	(resigned 26 July 2019)
S G Varnish	(appointed 12 August 2019)

KALLIDUS INTERMEDIARY LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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; and
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'S G Varnish', with a horizontal line extending to the right.

S G Varnish
Director

26 February 2021

KALLIDUS INTERMEDIARY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2020

	Note	2020 £'000	2019 £'000
OPERATING PROFIT		-	-
Interest payable and similar charges	4	-	(506)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(506)
Tax charge on loss on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL PERIOD		-	(506)

All of the Company's activities are classified as continuing.

There are no recognised gains or losses for the period other than as stated in the Statement of Comprehensive Income.

KALLIDUS INTERMEDIARY LIMITED

STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Note	2020 £'000	2019 £'000
CURRENT ASSETS			
Debtors		-	-
NET CURRENT ASSETS, BEING TOTAL ASSETS LESS CURRENT LIABILITIES		-	-
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	7	(2,083)	(2,083)
NET LIABILITIES		(2,083)	(2,083)
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account		(2,083)	(2,083)
SHAREHOLDERS' DEFICIT		(2,083)	(2,083)

For the period ended 30 June 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies. The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements of Kallidus Intermediary Limited registered number 09262306 were approved by the Board of Directors and authorised for issue on 26 February 2021.

They were signed on its behalf by:



S G Varnish
Director

KALLIDUS INTERMEDIARY LIMITED**STATEMENT OF CHANGES IN EQUITY**
For the year ended 30 June 2020

	Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
At 1 July 2018	-	(1,577)	(1,577)
Loss for the period	-	(506)	(506)
At 30 June 2019		(2,083)	(2,083)
Loss for the period	-	-	-
At 30 June 2020	-	(2,083)	(2,083)

All equity is attributable in full to the equity shareholders of the Company. The consolidated loss for the period represents the total Company comprehensive loss for the year. There are no other recognised gains or losses.

KALLIDUS INTERMEDIARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

1. ACCOUNTING POLICIES

Basis of preparation

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

Basis of accounting

Kallidus Intermediary Limited is a company incorporated in the United Kingdom under the Companies Act. The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and applicable United Kingdom law.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

Going concern

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

The Company meets its commitments from cash generated within the wider Kallidus Group, specifically Kallidus Limited. Whilst the level of demand for the Kallidus Limited's products can never be certain, taking account of reasonably possible changes in trading performance, the Kallidus Group and Company's forecasts and projections show that it expects to be able to meet its bank loan repayments and operating expenses for the foreseeable future.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being the period of at least 12 months from the signing of these financial statements. Thus the directors continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

In accordance with Financial Reporting Standard 102, the Company has taken the exemption from the requirement to prepare a cash flow statement, as it is included within the consolidated financial statements of Apollo Kallidus Holdco Limited.

Taxation

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

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 June 2020

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of current assets

Intercompany debtor balances are reviewed for impairment in accordance with the policies as stated in Note 1. The recoverable amounts have been determined based on the lower of net book value and net recoverable value based upon the cash flow forecasts of the wider Group.

3. STAFF COSTS

There were no staff costs for the period ended 30 June 2020 (2019: £nil).

R S Caul, P J Pyle, C L Laithwaite and I G Slater are also executive directors of other group companies. They are remunerated by Kallidus Limited. H W B Sallitt and H J W Ropner are also non-executive directors of other group companies and monitoring fees were charged to Kallidus Bidco Limited for their services. It is not practicable to allocate their remuneration between their services as directors of this Company and as directors or employees of other group companies.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £'000	2019 £'000
Interest	-	506

KALLIDUS INTERMEDIARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2020

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2020.

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £'000	2019 £'000
Loss on ordinary activities before tax	-	(506)
	<u>£'000</u>	<u>£'000</u>
Loss on ordinary activities at UK corporation tax rate of 19% (2019: 19%)	-	(96)
Effects of:		
Group relief	-	5
Movement in deferred tax not recognised	-	91
	<u>-</u>	<u>-</u>
Current tax charge for period	-	-

6. DIVIDENDS PAID

No dividends were paid or received in the year (2019: £nil).

7. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2020 £'000	2019 £'000
Amounts due to group undertakings	2,083	2,083

8. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Authorised, allotted, called up and fully paid 1 Ordinary share of £0.01	-	-

KALLIDUS INTERMEDIARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 30 June 2020**

9. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS102 section 33 'Related party disclosures' from disclosing balances and transactions with members of the group headed by Apollo Kallidus Holdco Limited that are wholly owned on the basis the subsidiary is included in the consolidated financial statements of Apollo Kallidus Holdco Limited.

10. CONTINGENT LIABILITIES

At 30 June 2020, Kallidus Intermediary Limited had no contingent liabilities (2019: £nil).

11. ULTIMATE CONTROLLING PARTY

The Company's immediate parent company is Kallidus Holdings Limited, a company incorporated in England and Wales.

In the opinion of the directors, the ultimate controlling party is Apollo Kallidus Holdco Limited which is the parent company of the largest group into which the results of the Company are consolidated. Apollo Kallidus Midco Limited is the parent company of the smallest group into which the results of the Company are consolidated. Copies of the group financial statements can be obtained from the company secretary at the Company's registered office.