

Optimity Bidco Limited

Report and financial statements

Registered number 09959559

31 December 2018



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Directors

David Barbour
Llewellyn John
John Trower
Leeland Pavey
Andrew Frome

Registered office

Zetland House,
5-25, Scrutton Street
London
England
EC2A 4HJ

Company number

09959559

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Directors Report

The Directors present their report for the year to 31st December 2018.

Loss for the year

The Group loss for the year was £291,000 (2017: £170,000).

Principal Activity

The Company's principal activity is as an intermediate holding company.

Research and development

Due to the nature of its business, the Company does not undertake any research and development.

Financial instruments

The Company's sole financial instruments are fixed rate loan notes with shareholders.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year were as follows:

Anthony Impey (resigned 26 April 2018)
David Barbour
Llewellyn John
John Trower
Leeland Pavey (appointed 25 January 2018)
Andrew Frome

Employees

The Company does not have any employees.

Political contributions

The Company made no political donations or incurred any political expenditure during the period.

Strategic Report

The entity has taken advantage of the small company exemption from preparing a strategic report.

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

During the year, KPMG LLP resigned as auditor and BDO LLP were appointed. BDO LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption as per section 415A of the Companies Act 2006.

By order of the board



Leeland Pavey
Director

30 Aug 2019

Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 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; 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 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.

Independent auditor's report to the members of Optimity Bidco Limited

Opinion

We have audited the financial statements of Optimity Bidco Limited ("the Company") for the year ended 31 December 2018 which comprise the Profit and loss account, Balance sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss 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.

Conclusions relating to going concern

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Independent auditor's report to the members of Optimity Bidco Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's 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 prepare the financial statements in accordance with the small companies regime and 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, 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.

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



David Butcher (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

30 August 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Profit and Loss Account
for the year ended 31 December 2018

	<i>Note</i>	Year to 31 December 2018 £000	11 months to 31 December 2017 £000
Interest payable and similar expenses	4	(217)	(215)
One-off expenses	5	(74)	(19)
		<hr/>	<hr/>
Loss before taxation		(291)	(234)
Tax on loss	6	-	64
Loss for the financial year		<hr/> (291) <hr/>	<hr/> (170) <hr/>

The accompanying notes on page 8 to 14 form part of these financial

Losses for the year and prior period are derived from continuing operations.

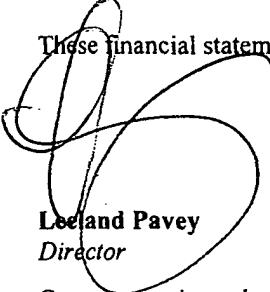
There were no other gains or losses in the year or prior period and therefore a statement of other comprehensive income is not required.

Balance Sheet
At 31 December 2018

	<i>Note</i>	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Investments	7		6,855		6,855
					6,855
Current assets					
Debtors	9	3,778		1,364	
Cash at bank and in hand		1		2,413	
Creditors: amounts falling due within one year	10	3,779 (8,883)		3,777 (8,807)	
Net current liabilities			(5,104)		(5,030)
Total assets less current liabilities			1,751		1,825
Creditors: amounts falling due after more than one year	11		(2,336)		(2,119)
Net liabilities			(585)		(294)
Capital and reserves					
Called up share capital	13		-		-
Profit and loss account			(585)		(294)
Shareholders' deficit			(585)		(294)

The accompanying notes on page 6 form part of these financial statements.

These financial statements were approved by the board of directors on 30 Aug 2019 and were signed on its behalf by:


Leland Pavey
Director

Company registered number 09959559

Statement of Changes in Equity

	Called up Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance on 1 January 2018	-	(294)	(294)
Loss for year	-	(291)	(291)
Balance at 31 December 2018	-	(585)	(585)

	Called up Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance on 31 January 2017	-	(124)	(124)
Loss for year	-	(170)	(170)
Balance at 31 December 2017	-	(294)	(294)

The accompanying notes on page 6 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Optimity Bidco Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England in the UK. The registered number is 0995559 and the registered address is Zetland House, 5 25, Scrutton Street, London, EC2A 4HJ.

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*"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, Optimity Holdings Company Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Optimity Holdings Limited are available to the public and may be obtained from Zetland house, 5-25, Scrutton Street, London, EC2A 4HJ. 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 period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Optimity Holdings 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 include the carrying value of investments.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

These financial statements have been prepared on a going concern basis as the Company has a letter of support to be obtained from its parent company Optimity Holdings Limited and, in the opinion of the directors, will meet its liabilities as they fall due.

Notes (continued)

1.3 Impairment excluding stocks

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.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in profit or loss.

Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.4 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 years.

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 subsidiaries, 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.

Notes (continued)

2 Operating loss

	2018 £000	2017 £000
<i>Included in profit and loss are:</i>		
Auditors remuneration		
Audit of these financial statements	4	4
	<u>4</u>	<u>4</u>

3 Directors' remuneration

The directors received £5,000 in remuneration from the Company (period to December 2017: £5,000).

4 Interest payable and similar expenses

	2018 £000	2017 £000
Loan note interest	217	215
	<u>217</u>	<u>215</u>
Total other interest payable and similar expenses	217	215
	<u>217</u>	<u>215</u>

5 One-off expenses

	2018 £000	2017 £000
Restructuring charges	74	19
	<u>74</u>	<u>19</u>
Total one-off expenses	74	19
	<u>74</u>	<u>19</u>

6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2018 £000	2017 £000
<i>Current tax</i>		
Current tax on income for the period	-	(64)
	<u>-</u>	<u>(64)</u>
Total current tax	-	(64)
	<u>-</u>	<u>(64)</u>
Total tax	-	(64)
	<u>-</u>	<u>(64)</u>

Reconciliation of effective tax rate

	2018 £000	2017 £000
Loss for the year before tax	(291)	(234)
Tax using the UK corporation tax rate of 19.00 % (2017: 19.25%)	(55)	(45)
Previous year adjustment	-	(24)
Timing difference	-	5
Current year losses for which no deferred tax asset was recognised	55	-
	<hr/>	<hr/>
Total tax credit included in profit or loss	-	(64)
	<hr/>	<hr/>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

The deferred asset carried forward for the Company is £63,000 (2017: £64,000) related to unrecognised trading losses. The directors have not recognised a deferred tax asset in 2018 due to lack of certainty as to timing of the future taxable profits of the Group.

7 Fixed asset investments

	Shares in group undertakings Total £000
<i>Cost</i>	
At 1 January 2018	7,040
At 31 December 2018	7,040
<i>Provisions</i>	
At 1 January 2018	(185)
At 31 December 2018	(185)
<i>Net book value</i>	
At 31 December 2018	6,855
At 1 January 2018	6,855

On June 1st 2016, the Company acquired 100% of the share capital of Optimity Limited for £6.3m in cash plus £640,000 of professional fees. Its registered office is Zetland House, 5-25, Scrutton Street, London, EC2A 4HJ.

Subsidiary undertakings

The following were subsidiary undertakings of the Group:

Name	Registered Office	Class of share	Holding	Principal activity
Optimity Limited	Zetland House, Scrutton St. London	Ordinary	100%	Trading company

Notes (continued)

8 Deferred Taxation

	2018 £000	2017 £000
Deferred tax asset in respect historic losses	63	64
	<u>63</u>	<u>64</u>

9 Debtors

	2018 £000	2017 £000
Amounts owed by group undertakings in which the company has a participating interest	3,715	1,300
Deferred tax (see note 8)	63	64
	<u>3,778</u>	<u>1,364</u>

10 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to other Group companies	8,848	8,787
Trade creditors	35	20
	<u>8,883</u>	<u>8,807</u>

11 Creditors: amounts falling after more than one year

	2018 £000	2017 £000
10% Investor Loan Notes	2,336	2,119
	<u>2,336</u>	<u>2,119</u>

Notes (continued)

12 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.

	2018 £000	2017 £000
Creditors falling due more than one year		
10% Secured Investor Loan Notes	2,336	2,119
	<u>2,336</u>	<u>2,119</u>

The 10% Investor Loan Notes have a fixed and floating charge over all assets of the Company.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repay- ment schedule	2018 £000	2017 £000
10% Secured Investor Loan Notes	sterling	10%	2021	None	2,336	2,119
Loan from parent company	sterling	0%	On demand	None	<u>8,848</u>	<u>8,787</u>
					<u>11,184</u>	<u>10,906</u>

13 Capital and reserves

Share capital

	Ordinary shares 2018	Ordinary shares 2017
Number of shares		
On issue at incorporation	1	1
Issued for cash	-	-
	<u>1</u>	<u>1</u>
On issue at 31 January – fully paid	<u>1</u>	<u>1</u>
	<u>2018</u>	<u>2017</u>
	<u>£000</u>	<u>£000</u>
Allotted, called up and fully paid		
1 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

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

Notes (continued)

14 Related parties

	Receivables outstanding	Creditors/Loans outstanding	Receivables outstanding	Creditors/Loans outstanding
	2018 £000	2018 £000	2017 £000	2017 £000
Entities with control, joint control or significant influence	3,715	11,184	1,300	10,906
	<u>3,715</u>	<u>11,184</u>	<u>1,300</u>	<u>10,906</u>

15 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Optimity Holdings Limited. In the opinion of the directors there is no ultimate controlling party.

The largest group in which the results of the Company are consolidated is that headed by Optimity Holdings Limited, of Zetland House, 5-25, Scrutton Street, London, EC2A 4HJ. No other group financial statements include the results of the Company. The consolidated financial statements of this groups are available to the public and may be obtained from Zetland House, 5-25, Scrutton Street, London, EC2A 4HJ.