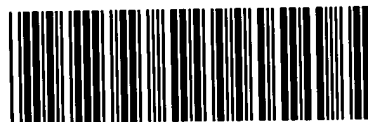




**Kili Bidco Limited**  
**Financial statements**  
**for the year ended 31 December 2022**

Registered number: 10632036

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# **Kili Bidco Limited**

## **Strategic report**

for the year ended 31 December 2022

The directors present their strategic report together with the audited financial statements for the company for the year ended 31 December 2022.

### **Review of the business and key performance indicators**

The company is an intermediary holding company for the collation of group related services and assets. The income for the company consists of management fees and interest charged to K2 subsidiary companies.

The company does not have key performance indicators. Results for the year under review were an operating loss before tax for the year of £4,132,766 compared to prior period loss of £1,556,284.

During 2022 the K2 group received a new round of funding from its majority investor Inflexion. The K2 group has experienced significant growth in recent years and the new investment from Inflexion's Buyout Fund VI will help it realise the next phase of the group's growth. Inflexion has been an investor in the K2 group since it provided minority funding in March 2017, its Partnership Capital fund exited its stake following an independently managed process. As a result of the new re-investment from Inflexion, all syndicated bank borrowing resides within the Climber Bidco Limited, a group undertaking company. The K2 group continues to have access to this funding.

### **Principal risk and uncertainties**

The company is reliant on the performance of its subsidiaries as it has no material external customers.

The strategic report was approved by order of the Board on 8th September 2023 and signed on its behalf by:



T Hauser  
Director

## **Kili Bidco Limited**

### **Section 172 statement**

Under s.172 of the Companies Act 2006 the directors have a duty to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

*The below statement has been drafted from the perspective of the Company and its subsidiaries.*

#### **(the "s.172(1) Matters")**

At each meeting of the Board of Directors a reminder of these duties is included as a rolling agenda item. Furthermore, on appointment of new directors an explanation of directors' duties in general and 172(1) Matters, is addressed prior to admittance to the Board.

In preparation for the Company's implementation of the UK Corporate Governance Code July 2018 (the "2018 Code"), the Board undertook a review of the actions it currently undertakes to comply with s.172.

The review included an analysis of how the Board currently engages with its stakeholders and considered recommendations on how such engagement could be enhanced.

Further information on the steps taken to prepare for full compliance with the 2018 Code is set out below.

Information on how the Directors have had regard to the s.172(1) Matters can be found below:

#### **Annual governance reviews**

The Board reviewed Matters Reserved for the Board, Board Committee terms of reference and other relevant corporate documents to ensure they are in line with the provisions of the 2018 Code.

#### **Board reports**

The Board reviewed its key stakeholders and the ways in which it engages with them.

Some key examples of the action taken are set out below:

- A standing Board paper setting out K2's stakeholders (as determined by the Board) and why they are important to us has been included in every Board pack;
- The executive summary of Board papers has been broadened to require authors to note stakeholders' interests in matters being considered by the paper and to clearly demonstrate how proposals put forward have taken those interests into account;

## **Kili Bidco Limited**

### **Section 172 statement (continued)**

#### ***Board reports (continued)***

- A risk assessment has been devised relating to remuneration policy and practices to ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated;
- The Chief compliance officer ensures that minutes of Board discussions clearly record how stakeholder views have been considered as part of the decision-making process; and
- We have formalised the reports back to the Board of the matters considered by Board Committees and such reports address how stakeholder factors have been considered.

#### ***Staff Associate***

The Board considers that the Staff Associate role, introduced in 2020, represents an appropriate method of engaging with staff as it provides a two-way communication channel to create greater understanding of the role of the Board amongst staff.

This enables the Board to hear more of staff views thereby ensuring that the Board appropriately considers the interests of staff when making decisions.

Our Staff Associate continues to share blogs on his Board experiences with all Staff via Group intranet site and uses this forum to explain how key decisions impacting colleagues made by the Board during the year were reached. He also attends Board engagement days alongside our NEDs.

#### **Engagement with principal investors**

Communication with our investors is extremely important for the Board. By maintaining dialogue with our investors, we aim to ensure that their views are heard and that our objectives are understood.

#### ***Why is this group Important to K2?***

They are our providers of capital without whom we could not grow and invest for future success.

#### ***Their Concerns?***

Our investors are concerned with a broad range of issues including, but not limited to, K2's financial and operational performance, strategic execution, investment plans and capital allocation.

#### ***How are their concerns addressed, how the Board engages?***

- Communications such as monthly trading results & annual reports; and
- Monthly feedback from the NED that attends each Board meeting on their behalf.

#### ***How they influenced the Board's decision-making***

Investors' opinions were taken into account in the shaping of the Group's strategy and operational performance, remuneration policy and capital structure.

#### **Engagement with minority shareholders and staff**

Communication with staff and minority shareholders is extremely important for the Board. By maintaining dialogue with our staff, we aim to ensure that their views are heard and that our objectives are understood.

In addition to publishing quarterly trading updates, they also participate in annual presentations that take place in various of the group's global office locations.

## **Kili Bidco Limited**

### **Section 172 statement (continued)**

#### **Engagement with minority shareholders and staff (continued)**

##### ***Why is this group Important to K2?***

###### ***Our colleagues***

They are a key resource, dedicated to creating, selling and supporting solutions that provide solutions for our customers so that their businesses can grow.

###### ***What are their main concerns, how does the Board engage?***

Our staff are concerned with opportunities for personal development and career progression; a culture of inclusion and diversity; compensation and benefits; and the ability to make a difference within K2.

###### ***Types of Engagement***

- Various activities and forums to foster participation in Group events, invite opinions, questions and ideas;
- Regular colleague opinion surveys to canvas views; and
- Multimedia channels for sharing information and as a depository of in-house news items of interest.

###### ***How the Board engages***

- K2 regularly broadcasts presentations of strategy and quarterly performance updates by the CEO and CFO;
- Representation at Board meetings through the Staff Associate;
- 'Talent lunches' allowing Directors to meet promising individuals from the executive teams;
- Keen focus on whistleblowing reports; and
- Human Resource Officer report on activities to enhance colleague engagement and senior leadership capability.

###### ***How they influenced the Board's decision making***

A key initiative during the year was the creation of corporate values and behaviours. A culture day was initiated in all K2 offices initiated by the Board. The Board also sought the views of the Staff Associate to understand the impact to our staff of the move from the Head office premises at West London to Central London.

The Board continued to encourage leaders to search internally to fill open positions, proactively manage career development for high potential colleagues and enable them to drive their own career paths.

#### **Engagement with our customers**

##### ***Our customers and Why they matter?***

Only through good services to our customers can their business improve and as a result our business flourish.

##### ***What Concerns them?***

Our customers are at the cutting edge of digital innovation and require the very best talent to enable them to get to the next level of achievement. K2 finds that talent innovates and is always attuned to the market to ensure it meets its clients' needs every step of the journey.

##### ***How does the Board monitor and meet customer needs?***

- Receives regular competitor updates and monitors customer and contractor needs via its K2 connect platform; and
- Regular Marketing reports reviewed monthly by the Board.

## **Kili Bidco Limited**

### **Section 172 statement (continued)**

#### **Engagement with our customers (continued)**

##### ***How they influenced the Board's decision-making***

It is K2's mission to source and provide the best talent globally to its customers.

#### **Engagement with our business partners**

##### ***Our business partners and Why they matter?***

Our business partners are an extension of K2, helping us become preeminent in the global marketplace in which we both operate. They help us work in unison and as such serve our customers locally and creating an ecosystem of complementary solutions and services.

##### ***What matters to them***

Our partners harness K2's innovative technology to develop business growth through supported sales and marketing programmes, as well as technical training.

##### ***Type of engagement***

- Partners adhere to K2's business terms defining expectations of responsible business and behaviour, underlining K2's strategic focus and on the needs of its customers; and
- Board reports, including updates on performance and key partner issues.

##### ***How they influenced the Board's decision making***

The Board routinely considered the interests of our Partners.

#### **Engagement with our Contractors**

##### ***Our customers & Why they matter?***

K2's business cannot operate without the contractors engaged by it. They are the face of K2 within our customers' organisations worldwide, and in many respects are the face of K2. They enable K2 to be preeminent in the global marketplace and serve K2's customers' needs.

##### ***What matters to them***

Our contractors harness K2's innovative technology to meet customer needs.

##### ***How they influenced the Board's decision making***

The Board routinely considered the interests of its contractors, as ultimately it is on these group of talented selected individuals that are at the core of K2's business and its ability to grow in the global market in which it operates.

#### **Engagement with our community**

##### ***Why does the community matter?***

We demonstrate K2's culture and commitment to doing business the right way, charitable giving and supporting our local communities in each country in which we have a presence. Freeing staff to volunteer in our communities for charitable work, helping to build a workforce fit for tomorrow by creating routes into education, work and entrepreneurship for marginalised young people, women and people of all cultures and backgrounds.

##### ***How the Board engages***

- Regular Board updates such charitable work and approval of charitable giving; and
- Endorses a culture of giving back time, skills and technology with staff & customers.

## **Kili Bidco Limited**

### **Section 172 statement (continued)**

#### **The Environment and Green Policy**

The Directors recognizes environmental protection as one of the guiding principles of, and a key component of sound business performance. Further to this, the K2 Group is thus committed to continually providing a quality service in a manner that ensures the organization minimizes its potential impact on the environment. The K2 Group will operate in compliance with all relevant environmental legislation and endeavour to achieve pollution prevention and environmental best practice in all aspects of our business. To ensure that Directors are able to commit to the above objectives it will focus on the following items:

##### ***Best Practice***

Comply with all relevant environmental legislation, regulations, and approved codes of practice.

##### ***Waste Management***

Operate effective arrangements for the reduction, reuse, and recycling of waste, and for the safe storage and disposal of waste that cannot be avoided.

##### ***Materials & Resources***

Maximize the efficient use of materials and resources, including gas, electricity and water, the use of paper made from sustainable sources, and the introduction of Eco Fonts to reduce printer ink usage.

##### ***Responsible Procurement***

Use contractors who also share a commitment towards the environment and take into account lifetime costs of materials when repairing, altering or rebuilding premises.

##### ***Business Travel***

Promote the use of public transport and increased use of email, phone, video conferencing and online webinars to reduce the impact of business travel upon the environment.

# **Kili Bidco Limited**

## **Directors' report**

for the year ended 31 December 2022

The directors present their report with the financial statements for the company for the year ended 31 December 2022.

The company supplies management services to the K2 group of companies. The K2 group of companies provide recruitment and staffing solutions largely in the information technology and communications sectors.

## **Employee policy**

The company's policy is to consult and discuss with employees matters which are likely to affect employees' interests. Information on matters of concern to employees is through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

## **Directors' responsibilities**

The directors are responsible for preparing the strategic report, 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 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 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.

## **Directors**

The directors of the company throughout the year were:

- A Gulino
- A Mainwaring, resigned on 18<sup>th</sup> July 2022
- T Hauser



## **Kili Bidco Limited**

### **Directors' report (continued)**

for the year ended 31 December 2022

#### **Information included in the strategic report**

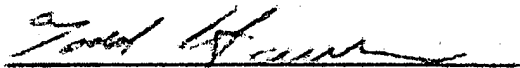
Presented in the strategic report is information on principle risks and going concern considerations.

#### **Auditors**

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

#### **Approval**

This Directors' Report was approved by order of the Board on 8<sup>th</sup> September 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'T Hauser', is written over a horizontal line.

T Hauser

**Director**

## Kili Bidco Limited

### Statement of comprehensive income for the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover		475,585	285,204
Administrative expenses		(170,190)	(585,746)
Operating loss	2	305,395	(300,542)
Net finance expense	4	(4,438,161)	(1,255,742)
Loss before tax		(4,132,766)	(1,556,284)
Taxation	5	2,006	-
Loss for the year and comprehensive income		(4,130,760)	(1,556,284)

All amounts relate to continuing activities.

The notes on pages 13 to 22 form part of these financial statements.

# Kili Bidco Limited

## Balance sheet

at 31 December 2022

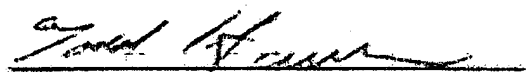
	Notes	2022 £	2021 £
<b>Total fixed assets</b>			
Investments	6	57,586,688	57,586,688
<b>Total fixed assets</b>		<b>57,586,688</b>	<b>57,586,688</b>
<b>Current assets</b>			
Debtors amounts falling due in more than one year	7	77,762,797	-
Debtors amounts falling due within one year	7	54,646	11,541,605
Cash and cash equivalents		1	-
<b>Total current assets</b>		<b>77,817,444</b>	<b>11,541,605</b>
<b>Creditors: amounts falling due within one year</b>	8	<b>(1,021,419)</b>	<b>(29,392,463)</b>
<b>Net current assets/(liabilities)</b>		<b>76,796,025</b>	<b>(17,850,858)</b>
<b>Total assets less current liabilities</b>		<b>134,382,713</b>	<b>39,735,830</b>
<b>Creditors: amounts falling due after more than one year</b>	9	<b>(117,468,776)</b>	<b>(18,691,133)</b>
<b>Net assets</b>		<b>16,913,937</b>	<b>21,044,697</b>
<b>Capital and reserves</b>			
Share capital and share premium	10	26,820,941	26,820,941
Retained earnings		(9,907,004)	(5,776,244)
<b>Total equity</b>		<b>16,913,937</b>	<b>21,044,697</b>

For the year ended 31/12/22 the company was entitled to exemption under section 479a of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved by the board of directors and authorised for issue on 8th September 2023 and signed on its behalf by:



T Hauser  
Director

Company registered number: 10632036

The notes on pages 13 to 22 form part of these financial statements.

## Kili Bidco Limited

### Statement of changes in equity for the year 31 December 2022

	Share capital £	Share premium £	Retained earnings £	Total equity £
Balance at 01 January 2021	268,209	26,552,732	(4,219,960)	22,600,981
<b>Comprehensive income</b>				
Loss for the year	-	-	(1,556,284)	(1,556,284)
<b>Balance at 31 December 2021</b>	<b>268,209</b>	<b>26,552,732</b>	<b>(5,776,244)</b>	<b>21,044,697</b>
Balance at 01 January 2022	268,209	26,552,732	(5,776,244)	21,044,697
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(4,130,760)	(4,130,760)
<b>Balance at 31 December 2022</b>	<b>268,209</b>	<b>26,552,732</b>	<b>(9,907,004)</b>	<b>16,913,937</b>

The notes on pages 13 to 22 form part of these financial statements.

# Kili Bidco Limited

## Notes to the financial statements

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# **Kili Bidco Limited**

## **Notes to the financial statements**

### **1 Accounting policies**

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

#### **1.1 General information**

Kili Bidco Limited ('the company') is a private company limited by shares and is incorporated in England and Wales under the Companies Act 2006. The address of the company's registered office is 2<sup>nd</sup> Floor, Broad Street House, 55 Old Broad Street, London, England, EC2M 1RX.

The company is part of the K2 group of companies (the Group) which provide recruitment services in the IT sector.

#### **1.2 Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash-flow statement, intra-group transactions and remuneration of key management personnel.

#### **1.3 Going concern**

The financial statements have been prepared on a going concern basis. The directors consider that it is appropriate to use the going concern basis in preparing the financial statements on the basis of confirmation of on-going support from Climber Topco Limited, its ultimate parent undertaking, to provide adequate funds to enable the company to meet its liabilities as and when they fall due.

The Directors have assessed the company's ability to adopt a going concern basis of accounting. In coming to their conclusion, this assessment has been performed on a Group basis, because the Company benefits from the Group's cash flow management through a centralised treasury function which ensures all entities in the group have sufficient cash to meet their immediate needs. The company has also issued a guarantee over the group loan facility so the cash flows implicit in the company on a stand-alone basis are not the most appropriate when reviewing the going concern basis for the company. The Directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. In coming to their conclusion, the Directors have considered the Group's profit and cash flow plans for the coming period.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

#### **1.4 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment. The carrying amounts of investments in subsidiaries are reviewed at each reporting date to determine whether there is any indication

# **Kili Bidco Limited**

## **Notes to the financial statements**

of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an investment 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.

### **1.5 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like cash and cash equivalents, trade and other debtors and creditors, loans from related parties and other third parties and accrued expenses.

Debt instruments (other than those wholly repayable or receivable within one year), including loan and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors or creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **1.6 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 periods different from those in which they are recognised in the financial statements.

# **Kili Bidco Limited**

## **Notes to 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 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.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company 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 period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **1.7 Revenue recognition**

Revenue is stated net of VAT. Revenue from the supply of management services represents the value of services provided under the management agreement.

### **1.8 Pensions**

The company only operates defined contribution pension plans. For defined contribution plans the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### **1.9 Foreign currency**

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

### **1.10 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.



# Kili Bidco Limited

## Notes to the financial statements

### 1.11 Judgments made and critical accounting estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means the actual outcomes could differ from those estimates.

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments at fair value through profit and loss. In determining this amount the Company applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

#### ***Amortisation/useful life and residual value intangible assets***

Management reviews the useful life and residual values of intangible assets, at least once a year. Such lives are dependent upon an assessment of estimation of the 'value in use' of the assets acquired considering internal and external factors. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

'Value in use' is derived from discounted projections, using an appropriate pre-tax discount rate. The projection period is, in the opinion of the Directors, an appropriate period over which to view the future results of the Group's businesses for this purpose.

Changes to the assumptions used in making these forecasts could significantly alter the Directors' assessment of the carrying value of intangible assets.

#### ***Going concern***

The Directors have assessed the Group's and company's ability to adopt a going concern basis of accounting. In coming to their conclusion, the Directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. In coming to their conclusion, the Directors have considered the Group's profit and cash flow plans for the coming period.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

## 2 Operating loss

This is arrived at after charging:

	2022 £	2021 £
Independent auditor's remuneration and other services		
Audit - Statutory	2,266	2,100
Tax advisory services	2,715	225

# Kili Bidco Limited

## Notes to the financial statements

### 3 Employee costs

The employee costs include commissions, benefits and pensions (including directors):

	2022 £	2021 £
Wages and salaries	102,069	74,254
Social security costs	(807)	1,498
Defined contribution pension costs	9,268	9,600
	<b>110,530</b>	<b>85,352</b>

The average number of full-time employees (including directors) employed during the year by activity was:

	2022 Number	2021 Number
Administrative and support staff	1	1
<b>Total number of employees</b>	<b>1</b>	<b>1</b>

Directors' remuneration included in employee costs for the year is nil (2020: nil). Directors are remunerated by K2 Partnering Solutions Holding Co Limited.

### 4 Finance income and expense

	2022 £	2021 £
Bank interest paid	(675,373)	(377,884)
Interest paid to group undertakings	(1,643,458)	(593,481)
Net foreign exchange costs	(2,119,330)	(284,377)
<b>Net finance expense</b>	<b>(4,438,161)</b>	<b>(1,255,742)</b>

### 5 Taxation

	2022 £	2021 £
Current income tax on profits for the year	-	-
<b>Current corporate income tax expense for the period</b>	<b>-</b>	<b>-</b>
Origination and reversal of temporary differences	2,006	-
<b>Total corporate income tax expense for the period</b>	<b>2,006</b>	<b>-</b>

# Kili Bidco Limited

## Notes to the financial statements

The standard rate of Corporation Tax in the UK is 19%. Accordingly, the company's result from this period is taxed at an effective rate of 19.0%.

The rate of corporation tax increased to 25% on 1 April 2023. Deferred tax has been calculated at 25%.

A tax reconciliation explaining differences from the expected statutory rate is summarised below:

	2022 £	2021 £
<b>Loss before tax</b>	<b>(4,132,766)</b>	<b>(1,556,284)</b>
Corporate income tax expense calculated at standard rate	(785,226)	(295,694)
Non-deductible expenses/permanent differences	6	218
Deferred tax	2,006	-
Group tax relief given	783,458	295,704
Other	1,762	-
Unrecognised DTA/(utilisation)	-	(228)
	2,006	-

Deferred tax asset not recognised £8,368 (2021: £29,159).

## 6 Investments

	2022 £	2021 £
<b>Group undertakings</b>		
Balance at 01 January	57,586,688	57,586,688
Additions	-	-
<b>Balance at 31 December</b>	<b>57,586,688</b>	<b>57,586,688</b>

Investments in group undertakings are measured at cost. The investments in group undertakings are as follows:

Name	Country of incorporation and registered address	Principal activity	Proportion of share capital held	Ownership
Kilimanjaro (GSY) Limited	De Catapan House, 1 Grange Terrace, St Peter Port, Guernsey, GY1 2QG	Holding company	100%	Indirect
K2 Partnering Solutions (Pty) Ltd	210/658 Pittwater Road, Brookvale, NSW 2100, Australia	Recruitment Service	100%	Indirect
K2 Partnering Solutions do Brasil Consultoria em Tecnologia da Informacao Ltda.	Avenida Francisco Matarazzo Numero 1500- Torre Los Angeles 20 Andar São Paulo Brasil SP CEP 05001-100	Recruitment Service	99.99%	Indirect
K2 Partnering Solutions de Mexico S.de R.L. de C.V.	Colima 56, Colonia Roma, Delegacion Cuauhtémoc, Distrito Federal, Mexico	Recruitment Service	96.67%	Indirect
K2 Partnering Solutions LLC	Skakovaya street, 17, building 2, 7th floor, office 2712, Moscow, Russia, 125040	Recruitment Service	100%	Indirect
K2 Partnering Solutions Pte Ltd	30 Raffles Place, #12-01, Singapore 048622	Recruitment Service	100%	Indirect
K2 Partnering Solutions SL	Calle Potosi 10, 28016 Madrid, Spain	Recruitment Service	100%	Indirect
K2 Partnering Solutions SA	Rue de Lausanne 11-19 1201 Genève, Switzerland	Recruitment Service	100%	Indirect

# Kili Bidco Limited

## Notes to the financial statements

Name	Country of incorporation and registered address	Principal activity	Proportion of share capital held	Ownership
Partners K2 AG	Alderstrasse 49, 8034 Zurich Switzerland, PO Box 3071	Recruitment Service	100%	Indirect
K2 Human Capital Solutions Limited (*)	2nd Floor, Broad Street House, 55 Old Broad Street, London EC2M 1RX, United Kingdom	Support Service	100%	Indirect
K2 Partnering Solutions Limited	2nd Floor, Broad Street House, 55 Old Broad Street, London EC2M 1RX, United Kingdom	Recruitment Service	100%	Indirect
K2 Employee Solutions Inc	235 Promenade Street, Suite 104, RI 02908, United States	Support Service	100%	Indirect
K2 Human Capital Solutions Inc	235 Promenade Street, Suite 104, RI 02908, United States	Support Service	100%	Indirect
K2 Partnering Solutions (West) Inc	235 Promenade Street, Suite 104, RI 02908, United States	Recruitment Service	100%	Indirect
K2 Partnering Solutions Inc	235 Promenade Street, Suite 104, RI 02908, United States	Recruitment Service	100%	Indirect
K2 Partnering Solutions GmbH	c/o Mindspace Eurotheum, Neue Mainzer Strasse 66 – 68, 60311 Frankfurt am Main	Recruitment Service	100%	Indirect
Madison Kay Ltd (*)	2nd Floor, Broad Street House, 55 Old Broad Street, London EC2M 1RX, United Kingdom	Recruitment Service	100%	Indirect
K2 Partnering Solutions Holding Co Limited	2nd Floor, Broad Street House, 55 Old Broad Street, London EC2M 1RX, United Kingdom	Holding company	100%	Indirect
Fionnoel AG	Neuhofstrasse 5A, CH-6340 Baar, Switzerland	Holding company	100%	Indirect
K2 Partnering Solutions Italy S.r.l.	Corso Europa 15, Milan, 20122, Italy	Recruitment Service	100%	Indirect
Beagle It Internacional S.A. de C.V	Napóles No. 36, piso 6, colonia Juárez, delegación Cuauhtémoc, código postal 06600, Ciudad de México, México	Dormant	99.98%	Indirect
K2 Partnering Solutions K.K. (Japan)	Akasaka Park Bldg. 1F, 5-2-20 Akasaka, Minato-ku, Tokyo 107-6101, Japan	Recruitment Service	100%	Indirect
K2 Partnering Solutions SAS	Av. Pradilla 900E Centro Chia Local Bogota 2001 Colombia	Recruitment Service	100%	Indirect
K2 Business Consulting (Shanghai) Ltd	Unit A03, 21st Floor, Shanghai Bank No. 168, Yincheng Middle Road, Pudong, Shanghai, 200120, China	Recruitment Service	100%	Indirect
K2 Partnering Solutions S.R.O.	Korunni 2569/108, Vinohrady, 101 00 Praha 10	Recruitment Service	100%	Indirect
K2 Partnering Solutions Projects GmbH	c/o Mindspace Eurotheum, Neue Mainzer Strasse 66 – 68, 60311 Frankfurt am Main	Recruitment Service	100%	Indirect
K2 Partners do Brasil Locacao de Mao de Obra Temporária Ltda	Rua Joaquim Manuel de Macedo, 297, Sala 82, Edifício Chicago Building, Barra Funda, São Paulo/SP, CEP 01.136-010	Recruitment Service	99.99%	Indirect
K2 Partnering Solutions (Canada) NS LTD	600-1741 Lower Water Street, Halifax NS B3J 0J2	Recruitment Service	100%	Indirect
Futuro Associates GmbH	Bavariafilmpfad 7, 82031 Grünwald, Germany	Recruitment Service	100%	Indirect
K2 Staffing Solutions, K.K.	Akasaka Park Bldg. 1F, 5-2-20 Akasaka, Minato-Ku, Tokyo 107-6101 JAPAN	Recruitment Service	100%	Indirect

# Kili Bidco Limited

## Notes to the financial statements

Name	Country of incorporation and registered address	Principal activity	Proportion of share capital held	Ownership
Marlin Green Limited	2nd Floor, Broad Street House, 55 Old Broad Street, London EC2M 1RX, United Kingdom	Recruitment Service	100%	Indirect
Marlin Green GmbH	GAP15, Graf-Adolf-Platz 15, 40213 Düsseldorf	Recruitment Service	100%	Indirect
Astbury Marsden Apac Pte Ltd	30 Raffles Place, #12-01, Singapore 048622	Recruitment Service	100%	Indirect
K2 Partnering Solutions Project ETT	Calle Potosi 10, 28016 Madrid, Spain R	Recruitment Service	100%	Indirect
K2 Partnering Solutions del Peru S.A.C.	Nicolás Rebaza 645, Trujillo 13001, Peru	Recruitment Service	100%	Indirect

(\*) This UK Subsidiary is exempt from the requirements relating to the audit of their accounts as Kili Topco Limited has guaranteed their debts under section 479A of the Companies Act 2006.

## 7 Debtors

### Due after more than one year

	2022 £	2021 £
Loans to group companies	77,762,797	-
<b>Total</b>	<b>77,762,797</b>	<b>-</b>

### Due within one year

	2022 £	2021 £
Amounts receivable from group undertakings	2,131	11,412,382
Amounts receivable from related parties	52,464	-
VAT recoverable	51	129,223
<b>Total</b>	<b>54,646</b>	<b>11,541,605</b>

Loans to group companies earn interest at 11% per annum.

## 8 Creditors amounts falling due within one year

	2022 £	2021 £
Trade payables	20,456	147,217
Amounts owed to group undertakings	964,382	29,117,599
Deferred income tax liability	-	2,006
Wage taxes and social securities	6,538	6,666
Accrued expenses and deferred income	6,553	116,982
Other payables	23,490	1,993
	<b>1,021,419</b>	<b>29,392,463</b>

# Kili Bidco Limited

## Notes to the financial statements

### 9 Creditors: amounts falling due after more than one year

	2022	2,021
	£	£
Borrowings from group companies	117,468,776	-
Bank loan	-	18,691,133
<b>Total loan and borrowing</b>	<b>117,468,776</b>	<b>18,691,133</b>

The maturity of sources of debt finance is as follows:

	Borrowings from group companies £
In one year or less, or on demand	-
In more than one year but no more than two years	-
In more than two year but no more than five years	-
More than five years	117,468,776
	<b>117,468,776</b>

The Term Loan facility of \$25,300,000 (£18,691,133) was fully repaid on the 18th July 2022. All new syndicated bank borrowings now reside within Climber Bidco Limited, a parent company. Bank loan was secured over the assets of selected group subsidiary companies.

Borrowing from group companies carry interest at 11% per annum.

### 10 Share capital and share premium

	Ordinary shares	Share Premium	Total
Issued (32,576,715 ordinary shares)	26,794,121	26,820	26,820,941
<b>Balance at 31 December 2022 and 2021</b>	<b>26,794,121</b>	<b>26,820</b>	<b>26,820,941</b>

Shares are allotted, called up and fully paid.

### 11 Related party transactions

The company elected the take advantage of the exemption under FRS102 not to disclose transactions with fellow group undertakings as 100% of the voting rights are controlled by the group.

Key management personnel include all the directors who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided was £nil (note 3).

## **Kili Bidco Limited**

### **Notes to the financial statements**

#### **12 Consolidation exemption and controlling party**

The company has not produced consolidated financial statement as it has taken the exemption under S.400 of the Companies Act 2006. The company (and its subsidiaries) are included in the consolidated financial statements of Kili Topco Ltd, a company incorporated in England and Wales. Copies of the consolidated financial statements can be requested from the address, 2<sup>nd</sup> Floor, Broad Street House, 55 Old Broad Street, London, England, EC2M 1RX.

In 2022 the immediate parent company undertaking of the company is Kili Finco Ltd and the ultimate parent undertaking of the Group of companies is Climber Topco Ltd, a company incorporated in England and Wales. Inflexion funds are the ultimate controlling party and party with significant influence over the company.

#### **13 Post balance sheet events**

On 17 March 2023, the K2 Group acquired 100% interest of Openlogix Corporation ("OpenLogix"). US-based technology consulting firm specializing in digital transformation and software development.

Openlogix is based in Bloomfield Hills, Michigan, is a top Salesforce, MuleSoft and IBM business partner with over 16 years of experience in delivering digital transformation solutions such as enterprise application integration, Customer 360, and application modernization. The acquisition allows the K2 Group to expand within its current ecosystems and provides a unique opportunity to efficiently scale its delivery capabilities and further expand its footprint in the U.S., India and Latin America.

Payment was settled by cash and additional consideration may be payable to the vendors of OpenLogix subject to achievement of future performance conditions.

On 6 June 2023, the K2 Group acquired 100% interest of Aquient Pte. Ltd. ("Aquient"), a leading customer experience and digital transformation consultancy in the Asia-Pacific region.

This strategic acquisition, which is K2's ninth in the last two years, will enhance K2's managed solutions capabilities in the enterprise applications space, expand its global footprint, and deliver even greater value to clients worldwide. Aquient's interdisciplinary teams collaborate closely with their clients across customer experience design, data science, machine learning, marketing technology, and CRM. Their expertise will complement K2's existing enterprise services, delivering comprehensive, future-proof solutions that address the evolving needs of businesses in the digital age.

Payment was settled by cash and loan notes and additional consideration may be payable to the vendors of Aquient subject to achievement of future performance conditions.