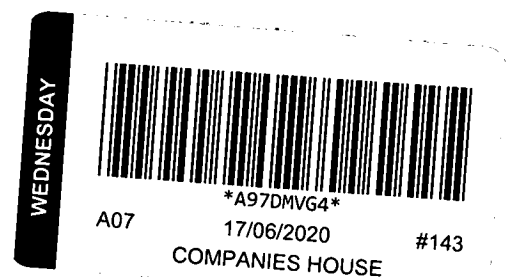


# Cidron (TBS) NewBidco Limited

Reports and financial statements

30 September 2019

Registered number: 11251898



# Cidron (TBS) NewBidco Limited

## Contents

Directors and advisors.....	2
Strategic Report.....	3
Directors' Report .....	4
Statement of directors' responsibilities in respect of the Reports and the financial statements .....	6
Independent auditor's report to the members of Cidron (TBS) NewBidco Limited .....	7
Income statement and statement of comprehensive income.....	10
Statement of financial position .....	11
Statement of changes in equity .....	12
Notes to the financial statements.....	13

# **Cidron (TBS) NewBidco Limited**

## **Directors and advisors**

### **The Board of Directors**

M D Culwick  
C R de Rohan

### **Registered office**

8 Calthorpe Road  
Edgbaston  
Birmingham  
West Midlands  
B15 1QT

### **Independent auditors**

Ernst & Young LLP  
One Colmore Square  
Birmingham  
B4 6HQ

### **Bankers**

HSBC Bank plc  
120 Edmund Street  
Birmingham  
B3 2QZ

### **Solicitors**

Pinsent Masons LLP  
55 Colmore Row  
Birmingham  
B3 2FG

# **Cidron (TBS) NewBidco Limited**

## **Strategic Report for the year ended 30 September 2019**

The directors present their Strategic Report for the year ended 30 September 2019.

### **Principal activities, review of business and future developments**

The principal activity of Cidron (TBS) NewBidco Limited ('the Company') is a holding company which provides management services to group members.

### **Key performance indicators**

Due to the nature of the Company as a holding company it is held that such measurement of the Company would be of limited usefulness.

### **Principal risks and uncertainties**

The management of the business and the execution of the group's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate measures put in place to monitor and mitigate them. The key business risks affecting the group are set out below:

#### **a) Investments**

Given the nature of the Company, there are no significant trading risks or uncertainties facing the Company. The Company holds investments in other companies within the group and provides management services to them. The carrying value of these investments relies on the trading performance of the company invested in. Should trading results deteriorate, there is a risk that the value of the investment may become impaired.

#### **b) Financial risk management**

The Company's operations expose it to a variety of financial risks that include exchange risk, credit risk, liquidity risk and interest rate risk. The Company may use external derivative financial instruments to manage these risks as appropriate.

By order of the board



C R de Rohan  
Director  
20 December 2019

# **Cidron (TBS) NewBidco Limited**

## **Directors' Report for the year ended 30 September 2019**

Registered number: 11251898

The directors present their report for the year ended 30 September 2019.

### **Directors**

The directors, who served the Company during the year and at the date of this report, were as follows:

M D Culwick  
C R de Rohan

### **Directors' indemnities**

The Company maintains liability insurance for its directors and officers. Following shareholder approval the Company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

### **Results for the year**

The loss for the year, after taxation, amounted to £17,268,000 (*Period 13 March to 30 September 2018: £26,397,000*). The Company has paid a dividend of £Nil (*Period 13 March to 30 September 2018: £138,979,428*) to its holding company, Cidron (TBS) NewMidco Limited.

### **Employees**

The Company is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, religion, colour, disability or marital status. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

In order to recognise the contribution made by employees in the Company, it supports them in ways such as the operation of a childcare voucher scheme, a cycle to work scheme and the payment of discretionary bonuses.

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the group plays a major role in maintaining its performance. Employees receive a company newsletter which gives group performance information and updates on key developments as well as regular meetings with their managers.

### **Future developments**

The directors consider the company will continue with his current operations and no future developments are planned.

## **Cidron (TBS) NewBidco Limited**

### **Directors Report *continued***

#### **Going concern**

The directors, having assessed the Cidron (TBS) NewHoldco Limited group (the highest parent company to produce consolidated accounts in the group) and the Company's financial position, and having assessed the responses of the other companies within the group, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Cidron (TBS) NewHoldco Limited group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of the assessment of the group and company financial position, taking into account the support of The Binding Site Group Limited, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis.

### **Statement of directors' responsibilities in respect of the Reports and the financial statements**

The directors are responsible for preparing the Strategic Report, 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 period. Under that law the directors have elected to prepare the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. 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 its profit or loss 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 accounting estimates that are reasonable and prudent; and
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

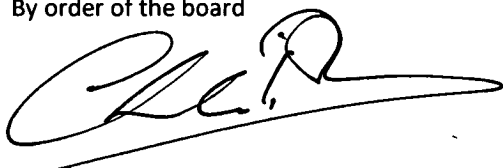
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

#### **Statement of disclosure of information to auditors**

In the case of each director in office at the date the Directors' report is approved, the following applies:

- a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board



C R de Rohan  
Director  
20 December 2019

# **Independent auditor's report to the members of Cidron (TBS) NewBidco Limited**

## **Opinion**

We have audited the financial statements of Cidron (TBS) NewBidco Limited for the year ended 30 September 2019 which comprise the Income statement and Statement of comprehensive income, the Statement of financial position, Statement of changes in equity and the related notes 1 to 18, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2019 and of its loss for the year 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 below. 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.

# **Independent auditor's report to the members of Cidron (TBS) NewBidco Limited *continued***

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have 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 Strategic Report or 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.

## **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities set out on page 6, 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.

# **Independent auditor's report to the members of Cidron (TBS) NewBidco Limited *continued***

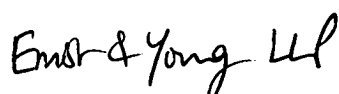
## **Auditor's responsibilities for the audit of the financial statements**

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.

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

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP'.

Adrian Roberts (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham

Date: 20 December 2019

## Cidron (TBS) NewBidco Limited

### Income statement and Statement of comprehensive income for the year ended 30 September 2019

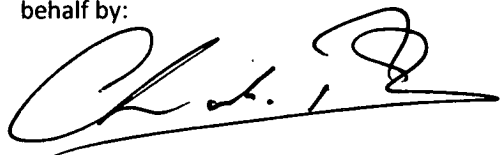
		Period 13 March to 30 September	
		2019	2018
	Note	£'000	£'000
Revenue	3	1,111	407
Administrative expenses		(2,961)	(11,149)
Exceptional items	8	-	(8,638)
<b>Operating loss</b>	4	<b>(1,850)</b>	<b>(19,380)</b>
Finance costs	7	(15,418)	(7,017)
<b>Loss before taxation</b>		<b>(17,268)</b>	<b>(26,397)</b>
Taxation	9	-	-
<b>Loss for the year/period</b>		<b>(17,268)</b>	<b>(26,397)</b>
<b>Total comprehensive expense for the year/period</b>		<b>(17,268)</b>	<b>(26,397)</b>

All results for the year/period ended 30 September 2019 are attributable to continuing operations.

**Statement of financial position  
at 30 September 2019**

		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>			
Investments	10	908,050	908,050
		<u>908,050</u>	<u>908,050</u>
<b>Current assets</b>			
Trade and other receivables	11	6,435	323
Prepayments		47	37
Other current financial assets	13	2	8
Cash and short term deposits	12	1,715	92
		<u>8,199</u>	<u>460</u>
<b>Total assets</b>		<b><u>916,249</u></b>	<b><u>908,510</u></b>
<b>Current liabilities</b>			
Trade and other payables	14	(25,411)	(3,989)
Accruals and deferred income		(513)	(1,239)
Interest bearing loans and borrowings	15	(2,378)	(1,145)
		<u>(28,302)</u>	<u>(6,373)</u>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	15	(324,874)	(321,796)
		<u>(324,874)</u>	<u>(321,796)</u>
<b>Total liabilities</b>		<b><u>(353,176)</u></b>	<b><u>(328,169)</u></b>
<b>Net assets</b>		<b><u>563,073</u></b>	<b><u>580,341</u></b>
<b>Capital and reserves</b>			
Equity share capital	16	-	-
Share premium account		579,224	579,224
Retained earnings		(16,151)	1,117
<b>Total equity</b>		<b><u>563,073</u></b>	<b><u>580,341</u></b>

These financial statements were approved by the directors on 20 December 2019 and are signed on their behalf by:



C R de Rohan  
Director

**Statement of changes in equity**  
for the year ended 30 September 2019

	Equity share capital (Note 16)	Share premium account	Retained earnings	Total Equity
	£'000	£'000	£'000	£'000
<b>At 13 March 2018</b>	-	-	-	-
Loss for the period	-	-	(26,397)	(26,397)
<b>Total comprehensive expense</b>	-	-	<b>(26,397)</b>	<b>(26,397)</b>
Issue of share capital	-	745,717	-	745,717
Capital reduction	-	(166,493)	166,493	-
Dividends paid	-	-	(138,979)	(138,979)
<b>At 30 September 2018 and 1 October 2018</b>	-	<b>579,224</b>	<b>1,117</b>	<b>580,341</b>
Loss for the year	-	-	(17,268)	(17,268)
<b>Total comprehensive expense</b>	-	-	<b>(17,268)</b>	<b>(17,268)</b>
<b>At 30 September 2019</b>	-	<b>579,224</b>	<b>(16,151)</b>	<b>563,073</b>

## Notes to the financial statements

### 1. Authorisation of financial statements and statement of compliance with FRS101

The financial statements of the Company for the year ended 30 September 2019 were authorised for issue by the board of directors on 20 December 2019 and the Statement of financial position was signed on the board's behalf by Charles de Rohan. Cidron (TBS) NewBidco Limited is incorporated and domiciled in England and Wales.

The Company was incorporated on the 13 March 2018, the prior year comparative therefore comprises of the period to 30 September 2018.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Cidron (TBS) NewMidco Limited and the results of the entity are included within the consolidated financial statements prepared by Cidron (TBS) NewHoldco Limited.

The results of Cidron (TBS) NewBidco Limited are included in the consolidated financial statements of Cidron (TBS) NewHoldco Limited which are available from 8 Calthorpe Road, Edgbaston, Birmingham, B15 1QT.

The principal accounting policies adopted by the Company are set out in Note 2.

### 2. Accounting policies

#### 2.1 Basis of preparation

These financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 30 September 2019.

The financial statements have been prepared on a historical cost basis.

On 1 October 2018 the Group adopted IFRS 9 'Financial Instruments' on a retrospective basis and IFRS 15 'Revenue from Contracts with Customers' using the cumulative effect method. There have been no material impacts on the Group's financial statements from adopting these standards.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The Company has applied the transitional provision in IFRS 1 to recognise investments in subsidiaries and joint ventures at 1 September 2014 at deemed cost, being the carrying value under UK GAAP; and
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

# Cidron (TBS) NewBidco Limited

## Notes to the financial statements *continued*

### 2.2 Going concern

The directors, having assessed the Cidron (TBS) NewHoldco Limited group (the highest parent company to produce consolidated accounts in the group) and the Company's financial position, and having assessed the responses of the other companies within the group, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Cidron (TBS) NewHoldco Limited group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of the assessment of the group and company financial position, taking into account the support of The Binding Site Group Limited, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### 2.3 Judgements and key sources of estimation uncertainty

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

The following estimates are dependent upon assumptions which could change in the next financial period and have a material effect on the carrying amounts of assets and liabilities recognised at the Statement of financial position date:

#### ***Impairment of non-financial assets***

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

#### ***Taxation***

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. As the Company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Notes to the financial statements *continued***

**2.4 Significant accounting policies**

**a) *Foreign currency translation***

The company's financial statements are presented in sterling.

***Transactions and balances***

Transactions in foreign currencies are initially recorded in the company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Statement of financial position date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**b) *Investments***

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

**c) *Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

**d) *Provisions for liabilities***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Notes to the financial statements *continued***

**2.4 Significant accounting policies *continued***

***e) Financial instruments***

***Financial assets***

***Initial recognition and measurement***

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables and derivative financial instruments.

***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification as follows:

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

***Financial liabilities***

***Initial recognition and measurement***

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification as follows:

***Interest bearing loans and borrowings***

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

## Notes to the financial statements *continued*

### 2.4 Significant accounting policies *continued*

#### ***Derecognition of financial liabilities***

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

#### ***Fair values***

The fair value of financial instruments that are traded in active markets at the reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

#### ***f) Trade and other receivables***

Trade debtors, which generally have 30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

#### ***g) Cash and cash equivalents***

Cash and short term deposits in the Statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

**Notes to the financial statements *continued***

**2.4 Significant accounting policies *continued***

***h) Income taxes***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the Statement of financial position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the Statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each Statement of financial position date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

***i) Exceptional items***

The Company presents as exceptional items those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the period, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

***j) Revenue recognition***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

**Other operating income**

Management service agreements charged to subsidiary companies are charged quarterly in arrears.

# Cidron (TBS) NewBidco Limited

## Notes to the financial statements *continued*

### 3. Revenue

Revenue of £1,111,000 (*Period 13 March to 30 September 2018: £407,000*) relates to a management service agreement entered into with The Binding Site Group Limited, The Binding Site Inc, The Binding Site GmbH, The Binding Site BVBA, The Binding Site S.R.L., The Binding Site Spain (Specialist Protein Company), S.L. and The Binding Site Group Limited (French branch).

### 4. Operating loss

This is stated after charging:

	Period 13 March to 30 September	
	2019	2018
	£'000	£'000
Net loss on foreign currency translation	1,049	9,526

### 5. Auditors remuneration

Auditor remuneration for the period was £5,000 (*Period 13 March 30 September 2018: £5,000*) and was borne by The Binding Site Group Limited without any right of reimbursement.

### 6. Staff costs and directors' remuneration

#### *Staff costs*

	Period 13 March to 30 September	
	2019	2018
	£'000	£'000
Wages and salaries	946	750
Social security costs	135	33
Other pension costs	20	8
	<b>1,101</b>	<b>791</b>

Other pension costs relate entirely to defined contribution schemes.

The average monthly number of employees during the period was made up as follows:

	Period 13 March to 30 September	
	2019	2018
	Number	Number
Administrative staff	2	2

#### *Directors' remuneration*

	Period 13 March to 30 September	
	2019	2018
	£'000	£'000
Emoluments receivable	951	641
Pension contributions to money purchase schemes	20	8

# Cidron (TBS) NewBidco Limited

## Notes to the financial statements *continued*

### 6. Staff costs and directors' remuneration *continued*

The number of directors who received contributions into money purchase pension schemes was as follows:

	Period 13 March to 30 September	
	2019	2018
	Number	Number
Money purchase scheme	2	2

In respect of the highest paid director:

	Period 13 March to 30 September	
	2019	2018
	£'000	£'000
Aggregate remuneration	560	377
Pension contributions to money purchase schemes	10	4

### 7. Finance costs

	Period 13 March to 30 September	
	2019	2018
	£'000	£'000
Interest on debts and borrowings	15,418	7,017
	<b>15,418</b>	<b>7,017</b>

### 8 Exceptional items

	Period 13 March to 30 September	
	2019	2018
	£'000	£'000
Group restructuring costs	-	1,235
Intercompany loan waivers, net	-	7,403
	<b>-</b>	<b>8,638</b>

*Period 13 March to 30 September 2018:* The restructure of the funding and capital structure of the Group gave rise to significant professional costs which due to their non-recurring nature were treated as exceptional to preserve the underlying comparability of results.

The Binding Site Group Limited (£2,026,014) and Cidron (TBS) I Limited (£181,910) waived its intercompany balances with Cidron (TBS) NewBidco Limited by issuing board minutes approving the issue of a unilateral promissory note, acknowledging waiver and termination of the balance.

Cidron (TBS) NewBidco Limited waived its intercompany balances with Cidron (TBS) II Limited (£9,610,684) by issuing board minutes approving the issue of a unilateral promissory note, acknowledging waiver and termination of the balance.

# Cidron (TBS) NewBidco Limited

## Notes to the financial statements *continued*

### 9 Taxation

#### *Tax charged in the income statement*

	Period 13 March to 30 September	
	2019	2018
	£'000	£'000
<b>Current income tax:</b>		
Total current income tax	-	-
<b>Deferred tax:</b>		
Total deferred tax charge	-	-
<b>Taxation charge on loss for the period</b>	<b>-</b>	<b>-</b>

#### *Reconciliation of the total tax charge*

The tax assessed for the period is lower (*Period 13 March to 30 September 2018: lower*) than the standard rate of corporation tax in the UK for the period of 19%. The differences are reconciled below:

	Period 13 March to 30 September	
	2019	2018
	£'000	£'000
Loss before taxation	(17,268)	(26,397)
Tax charge on loss at average rate of 19%	(3,281)	(5,015)
Effects of:		
Amounts not recognised	315	-
Expenses not deductible	17	1,658
Other timing differences	-	-
Group relief	2,949	3,357
<b>Total tax charge for the period</b>	<b>-</b>	<b>-</b>

#### *Change in Corporation Tax rate*

Deferred tax balances have been stated at a rate of 17% as the impact of balances reversing at other rates are expected to be immaterial.

### 10. Investments – non current

Cost and net book value	Total £'000
At 1 October 2018 and 30 September 2019	<b>908,050</b>

## Cidron (TBS) NewBidco Limited

### Notes to the financial statements *continued*

#### 10. Investments – non current *continued*

##### *Details of group undertakings*

Details of the investments in which the Company holds the nominal value directly or indirectly 20% or more of the nominal value of any class of share capital are as follows:

	Country of incorporation	Holding	Proportion of voting rights held		Nature of business
			2019	2018	
Cidron (TBS) I Limited	UK	Ordinary shares	100%	100%	Holding Company
Cidron (TBS) Midco Limited	UK	Ordinary shares	100%	100%	Holding Company
Cidron (TBS) II Limited	UK	Ordinary Shares	100%	100%	Holding Company
The Binding Site Group Limited	UK	Ordinary shares	100%	100%	Supply of medical and biological products
Nettleton Gate Limited	UK	Ordinary shares	100%	100%	Holding company
The Binding Site Corporation Limited	UK	Ordinary shares	100%	100%	Holding Company
The Binding Site Inc.	USA	Ordinary shares	100%	100%	Supply of medical and biological products
The Binding Site GmbH	Germany	Ordinary shares	100%	100%	Supply of medical and biological products
The Binding Site VT Inc.	USA	Ordinary shares	100%	100%	Supply of medical and biological products
TBS Howard Hill L.L.C	USA	Ordinary shares	100%	100%	Supply of medical and biological products
The Binding Site S.R.O	Czech Republic	Ordinary shares	100%	100%	Supply of medical and biological products
The Binding Site BVBA	Belgium	Ordinary shares	100%	100%	Supply of medical and biological products
The Binding Site S.R.L	Italy	Ordinary shares	100%	100%	Supply of medical and biological products
The Binding Site Holding GmbH	Germany	Ordinary shares	100%	100%	Holding company
The Binding Site Holding Inc.	USA	Ordinary shares	100%	100%	Holding company
TBS Brazil Ltda.	Brazil	Ordinary shares	100%	100%	Supply of medical and biological products
The Binding Site PTE Ltd	Singapore	Ordinary shares	100%	100%	Supply of medical and biological products
Diamédica Importação e Exportação de Produtos Para Laboratório Ltda	Brazil	Ordinary shares	100%	100%	Supply of medical and biological products
The Binding Site PTY Ltd	Australia	Ordinary shares	100%	100%	Supply of medical and biological products
Binding Site Group (Shanghai) Trading Co., Ltd	China	Ordinary shares	100%	-	Supply of medical and biological products
The Binding Site Limited	New Zealand	Ordinary shares	100%	-	Supply of medical and biological products

# Cidron (TBS) NewBidco Limited

## Notes to the financial statements *continued*

The Binding Site Portugal, Specialist Protein Company, Unipessoal, Ltd	Portugal	Ordinary shares	100%	-	Supply of medical and biological products
The Binding Site Spain (Specialist Protein Company), S.L.	Spain	Ordinary shares	100%	-	Supply of medical and biological products
The Binding Site France SASU	France	Ordinary shares	100%	-	Supply of medical and biological products

### 11. Trade and other receivables

	2019	2018
	£'000	£'000
Amounts owed by group undertakings	6,435	323
	<b>6,435</b>	<b>323</b>

### 12. Cash and short-term deposits

	2019	2018
	£'000	£'000
Cash at banks and on hand	1,715	92
	<b>1,715</b>	<b>92</b>

### 13. Other current financial assets

	2019	2018
	£'000	£'000
Other receivables	2	8
	<b>2</b>	<b>8</b>

### 14. Trade and other payables

	2019	2018
	£'000	£'000
Amounts due to group undertakings	25,383	3,804
Other tax and social security	28	185
	<b>25,411</b>	<b>3,989</b>

# Cidron (TBS) NewBidco Limited

## Notes to the financial statements *continued*

### 15. Interest bearing loans and borrowings – non current

	Interest rate	Maturity	2019	2018
	%		£'000	£'000
<b>Current interest-bearing loans and borrowings</b>				
\$Nil bank loan (2018: \$52,092,300)	LIBOR + 7.5%	April 2026	-	825
€371,255,907 bank loan (2018: €325,213,500)	EURIBOR + 3.5%	April 2025	2,378	320
<b>Total current interest-bearing loans and borrowings</b>			<b>2,378</b>	<b>1,145</b>

#### Group

	Interest rate	Maturity	2019	2018
	%		£'000	£'000
<b>Non-current interest-bearing loans and borrowings</b>				
\$Nil bank loan (2018: \$52,092,300)	LIBOR + 7.5%	April 2026	-	38,340
€371,255,907 bank loan (2018: €325,213,500)	EURIBOR + 3.5%	April 2025	324,874	283,456
<b>Total non-current interest-bearing loans and borrowings</b>			<b>324,874</b>	<b>321,796</b>

#### Bank loans

The bank loans are secured on the shares of the guarantors, being Cidron (TBS) NewHoldco Limited, Cidron (TBS) NewMidco Limited, Cidron (TBS) NewBidco Limited, Cidron (TBS) II Limited, Cidron (TBS) Midco Limited, The Binding Site Corporation Limited, The Binding Site Group Limited, The Binding Site Inc. and The Binding Site Holding Inc.

During the year, the Company took the opportunity to reduce its overall interest cost on the bank loans by fully repaying the Second Lien facility (\$52,092,300) and upsizing the Senior Facility (Euros) by a corresponding amount.

### 16. Authorised, issued and called up share capital

*Authorised, allotted, called up and fully paid*

	2019		2018	
	Number	£	Number	£
Ordinary shares of £1 each	5	5	5	5

### 17. Other related party transactions

At the Statement of financial position date, the Company was a wholly-owned subsidiary of Cidron (TBS) NewMidco Limited and is included in the consolidated financial statements of Cidron (TBS) NewHoldco Limited, which are publicly available. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

### 18. Ultimate group undertaking

The ultimate controlling party of the Company is Nordic Capital CVI, based in Jersey, by virtue of their controlling interest in the parent company. The immediate parent undertaking of the Company is Cidron (TBS) NewMidco Limited.

Cidron (TBS) NewHoldco Limited is the highest parent company to produce consolidated accounts in the Group. Copies of the Group consolidated financial statements of Cidron (TBS) NewHoldco Limited, are available from the Chief Financial Officer, Cidron (TBS) NewHoldco Limited, 8 Calthorpe Road, Edgbaston, Birmingham, B15 1QT or Companies House.