

Registered number: 11331832

AGILICO BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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AGILICO BIDCO LIMITED

COMPANY INFORMATION

Directors	S A Davey E Hickley P Jan L A Kingston
Registered number	11331832
Registered office	C/O Harrison Clark Rickerbys Ellenborough House Wellington Street Cheltenham GL50 1YD
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 45 Gresham Street London EC2V 7BG

AGILICO BIDCO LIMITED

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AGILICO BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The directors present their Strategic Report for Agilico Bidco Limited (the "Company") for the year ended 31 March 2022.

Background and principal activities

The principal activity of the Company during the year was that of a holding company for the acquisition of businesses undertaken by the Group. The Company is part of a group of companies headed by Agilico Group Limited (hereafter referred to as the "Agilico Group" or the "Group"). The principal activity of the Group is the provision of workplace technology, including managed print services, information management and telecoms and IT services.

Business review

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements on pages 8-10 and following. The Company's loss before tax was £27,365k (2021 - £17,486k), which primarily reflected an impairment change made during the year of £17,262k and interest costs on its bank and inter-group borrowings of £9,364k.

The Company provides management services to other group companies along with the appraisal of investment opportunities.

Due to the Company not trading with third party customers in its own right, the directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group, of which this Company is part of, is discussed in the Agilico Group Limited consolidated Annual Report and financial statements, which does not form part of this Report.

Principal risks and uncertainties

The directors manage the Company's risks at the Group level.

The Company acts as a holding company for acquisitions conducted as part of the M&A strategy of the Group. Acquisition risk relates to the Company's ability to successfully execute and integrate acquisitions. The directors have implemented an M&A framework to help select key targets and is followed by a thorough due diligence process including, but not limited to, financial and legal due diligence all of which are reviewed by the board.

The principal risks and uncertainties of the Group are discussed in the Agilico Group Limited consolidated Annual Report and financial statements.

This report was approved by the board and signed on its behalf.



P Jan
Director

Date: 27/10/2022

AGILICO BIDCO LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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

Results and dividends

The loss for the year, after taxation, amounted to £25,454k (2021 - loss £16,035k).

The directors do not recommend payment of a dividend (2021 - £Nil).

Directors

The directors who served during the year were:

S A Davey
E Hickley (appointed 27 October 2021)
P Jan
L A Kingston

Qualifying third party indemnity provisions

Qualifying third party indemnity provision is in place for the benefit of all directors of the Company.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Post balance sheet events

On 30 September 2022, the Company acquired the entire issued share capital of Capital Document Solutions Limited and its subsidiary undertakings.

Auditor

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

This report was approved by the board and signed on its behalf.



P Jan
Director

Date: 27/10/2022

AGILICO BIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

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 year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGILICO BIDCO LIMITED

Opinion

We have audited the financial statements of Agilico Bidco Limited (the 'Company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

AGILICO BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGILICO BIDCO LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

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 the 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 the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AGILICO BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGILICO BIDCO 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.

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

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

- Companies Act 2006 in respect of the preparation and presentation of the financial statements.
- FRS102 in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- We enquired with the Company's management as to the existence of litigation and no material items were identified;
- We have enquired of legal correspondence throughout the year, and nothing has come to light in respect of non-compliance;
- We obtained written management representations regarding disclosure of any non-compliance with laws and regulations.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. We also considered performance targets and their influence on efforts made by management to meet external pressures in reporting the financial results or for personal interest of the directors.

Audit procedures performed by the engagement team on the areas where fraud might occur included:

- Testing journal entries, selected based on specific risk assessments applied based on client processes and controls surrounding manual journals.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

AGILICO BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGILICO BIDCO LIMITED (CONTINUED)

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.

CLA Evelyn Partners Limited

CLA Evelyn Partners Limited (Oct 27, 2022 19:19 GMT+1)

Nicholas Jacques (Senior Statutory Auditor)

for and on behalf of

CLA Evelyn Partners Limited

Chartered Accountants

Statutory Auditor

45 Gresham Street

London

EC2V 7BG

Date: 27/10/2022

AGILICO BIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £000	2021 £000
Turnover	4	2,338	2,881
Gross profit		<u>2,338</u>	<u>2,881</u>
Administrative expenses		(3,077)	(3,163)
Impairment on investments in subsidiaries	9	(17,262)	(8,730)
Operating loss		<u>(18,001)</u>	<u>(9,012)</u>
Interest payable and similar expenses	7	(9,364)	(8,474)
Loss before tax		<u>(27,365)</u>	<u>(17,486)</u>
Tax on loss	8	1,911	1,451
Loss for the financial year		<u><u>(25,454)</u></u>	<u><u>(16,035)</u></u>

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 11 to 24 form part of these financial statements.

AGILICO BIDCO LIMITED
REGISTERED NUMBER:11331832

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	9	85,182	95,393
		<u>85,182</u>	<u>95,393</u>
Current assets			
Debtors: amounts falling due within one year	10	2,603	3,080
Cash at bank and in hand		372	202
		<u>2,975</u>	<u>3,282</u>
Creditors: amounts falling due within one year	11	(71,347)	(59,816)
Net current liabilities		<u>(68,372)</u>	<u>(56,534)</u>
Total assets less current liabilities		<u>16,810</u>	<u>38,859</u>
Creditors: amounts falling due after more than one year	12	(76,810)	(73,405)
Net liabilities		<u>(60,000)</u>	<u>(34,546)</u>
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account		(60,000)	(34,546)
Shareholders' deficit		<u>(60,000)</u>	<u>(34,546)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



P Jan
Director

Date: 27/10/2022

The notes on pages 11 to 24 form part of these financial statements.

AGILICO BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2020	-	(18,511)	(18,511)
Comprehensive income for the year			
Loss for the year	-	(16,035)	(16,035)
At 1 April 2021	-	(34,546)	(34,546)
Comprehensive income for the year			
Loss for the year	-	(25,454)	(25,454)
At 31 March 2022	-	(60,000)	(60,000)

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Agilico Bidco Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 11331832). The registered office address is C/O Harrison Clark Rickerbys, Ellenborough House, Wellington Street, Cheltenham, GL50 1YD.

The Company changed its name from Tokyo Bidco Limited to Agilico Bidco Limited on 9 April 2021 via a special resolution.

The Company's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Agilico Group Limited as at 31 March 2022 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Going concern

The Company is a subsidiary of and part of a group of companies headed by Agilico Group Limited.

The Company meets its day to day working capital requirements through its own cash balances and from funding from the Group. The Company has received written confirmation from Agilico Group Limited that it will continue to provide financial support, for a period of at least twelve months from the date of signing these financial statements.

In carrying out their duties in respect of going concern, the directors have reviewed the Group's forecast cash flows, liquidity, borrowing facilities and related covenant requirements and the expected operational activities of the Group. This included an assessment of the impact of the principal risks and uncertainties brought about by the current economic environment.

Forecasts have been prepared and sensitised under a range of scenarios, factoring in management's latest view of the post Covid-19 pandemic recovery. The sensitised forecasts demonstrate that the Group has sufficient cash reserves and available headroom under its borrowing facilities to pay all debts as they fall due and is forecast to remain in compliance with its financial covenants, for a period of at least twelve months from the date of signing these financial statements.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest 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.

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.7 Borrowing costs

Costs incurred in relation to a business combination are capitalised as part of the cost of investment where the costs are directly attributable to the acquisition.

Borrowing costs which are directly attributable to the issuance of debt are recognised as debt issue costs and amortised over the term of the debt.

Any costs which are incurred both for the issuance of debt and as part of the cost acquisition, but are not directly and wholly attributable to one or the other, are recognised based on a reasonable allocation between the cost of investment and borrowing costs. If recognised as borrowing costs, they are subsequently amortised over the term of the debt.

Where the costs do not relate to either the cost of the acquisition or the issuance of debt, they are expensed as incurred.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

The directors consider that the following judgements and key sources of estimation uncertainty have had the most significant effect on amounts recognised in the financial statements:

Impairment of fixed asset investments

Determining whether investments in subsidiaries are impaired requires an estimation of the value in use of the applicable cash generating unit ("CGU"). The value in use calculation requires an estimation of the future cashflows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. The value in use enables an estimate to be made on whether or not there has been any impairment and the extent to which the investment is impaired. The carrying amount of investments is shown in note 9.

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£000	£000
Management charge	2,338	2,881

All turnover arose within the United Kingdom.

5. Auditor's remuneration

Fees for the Company's statutory audit and other fees payable to the Company's auditor are incurred by Agilico Workplace Technologies (South) Limited, a fellow group company.

Full details of auditor's remuneration is disclosed in the consolidated accounts of Agilico Group Limited.

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Employees

The average monthly number of employees during the year was 14 (2021 - 14).

7. Interest payable and similar expenses

	2022 £000	2021 £000
Bank overdrafts and loans	5,009	4,775
Loans from group undertakings	4,355	3,699
	<u>9,364</u>	<u>8,474</u>

8. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	(1,897)	(1,402)
Adjustments in respect of previous periods	(14)	(49)
Total current tax	<u>(1,911)</u>	<u>(1,451)</u>

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Taxation (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Loss on ordinary activities before tax	(27,365)	(17,486)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(5,199)	(3,322)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,306	1,675
Adjustments to tax charge in respect of prior periods	(14)	(49)
Non-taxable income	(4)	-
Deferred tax not recognised	-	244
Group relief	-	1
Total tax credit for the year	(1,911)	(1,451)

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023.

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 April 2021	113,990
Additions	8,051
Disposals	(1,000)
At 31 March 2022	<u>121,041</u>
Impairment	
At 1 April 2021	18,597
Charge for the period	17,262
At 31 March 2022	<u>35,859</u>
Net book value	
At 31 March 2022	<u><u>85,182</u></u>
At 31 March 2021	<u><u>95,393</u></u>

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Fixed asset investments (continued)

On 3 June 2021, the Company acquired Diamond Group Holdings Limited and its subsidiaries ("Diamond"), through the purchase of 100% of the share capital of that company. The principal activity of Diamond is Managed Print Services and Telecom and IT solutions. Total consideration was £1.644m, including £40k of directly attributable costs, which were capitalised as part of the cost of investment. A further £188k of costs were capitalised as part of debt issue costs. The trade and assets of the Diamond business were subsequently transferred to fellow subsidiaries, indirectly held by the Company.

On 15 November 2021, the Company acquired Invu 2007 Limited and its subsidiaries ("Invu"), through the purchase of 100% of the share capital of that company. The principal activity of Invu is the provision of Document Management solutions. Total consideration was £6.408m including £93k of directly attributable costs, which were capitalised as part of the cost of investment. A further £188k of costs were capitalised as part of debt issue costs.

On 23 September 2021, contingent consideration in relation to a previous acquisition, of £1m, was cancelled. As a result, the cost of a previous acquisition of CSL Group Holdings (subsequently hived up into Agilico Workplace South Limited), was £1m lower. The consideration had been funded via a flip-up agreement, with a loan note of £1m issued to a fellow group subsidiary. The loan notes were cancelled at the same time.

The impairment of £17,262k relates to its investment in Agilico Workplace Technologies (South) Limited, which owns (directly and indirectly) all trading subsidiaries, with the exception of the Invu business.

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Agilico Workplace Technologies (South) Limited	Supply and maintenance of office machines	Ordinary, Ordinary D	100%
Canotec South West Limited*	Dormant	Ordinary A	100%
Faverglen Limited*	Holding company	Ordinary	100%
Buscom Limited*	Dormant	Ordinary	100%
Canotec Limited*	Dormant	Ordinary	100%
Agilico Systems Limited*	IT & other telecommunications	Ordinary A, B and C	100%
Hobbs Parker 2000 Limited*	Dormant	Ordinary A & B	100%
First Office Holdings Limited*	Holding company	Ordinary	100%
Systems Technology (Holdings) Limited*	Holding company	Ordinary A & B	100%
Systems Technology (S.E.) Limited*	Dormant	Ordinary A & B	100%
Systems Support UK Limited*	Dormant	Ordinary	100%
Condor Office Solutions Limited*	Dormant	Ordinary	100%
CSL Group Holdings Limited*	Holding company	Ordinary A & B	100%
Agilico Workplace Technologies (Midlands)*	Supply and maintenance of office machines	Ordinary	100%
Derby Office Machines Limited*	Dormant	Ordinary	100%
Total Office Maintenance Limited*	Dormant	Ordinary	100%
Copying Services (Leicester) Limited*	Dormant	Ordinary	100%
CSL Nottingham Limited*	Dormant	Ordinary	100%
U.C.O.S. Holdings Limited*	Holding company	Ordinary	100%
Agilico Workplace Technologies (North) Limited*	Supply and maintenance of office machines	Ordinary	100%
United Carlton Digital Solutions Limited*	Dormant	Ordinary	100%
United Carlton Office Solutions Limited*	Dormant	Ordinary	100%
McDowell & Co Limited*	Dormant	Ordinary & Ordinary A	100%
Diamond Group Holdings Limited	Holding company	Ordinary	100%
Diamond Business Systems Limited*	Supply and maintenance of office machines	Ordinary	100%
Diamond ICT Limited*	IT & other telecommunications activities	Ordinary	100%
Invu (UK) Limited (formerly Invu UK Plc)*	Holding company	Ordinary	100%
Invu 2007 Limited	Software and related services	Ordinary	100%

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Principal activity	Class of shares	Holding
Invu (International Holdings) Limited*	Holds intellectual property rights	Ordinary	100%
Agilico Software Limited (formerly Invu Services Limited)*	Software and related services, design and sales	Ordinary	100%

*held indirectly

All subsidiary undertakings are incorporated in England and Wales. The registered office of all subsidiaries is C/O Harrison Clark Rickerbys Ellenborough House, Wellington Street, Cheltenham, GL50 1YD.

The following entities were dissolved post year end, Canotec Limited, Total Office Maintenance Limited, Derby Office Machines Limited, Copying Services (Leicester) Limited and CSL Nottingham Limited.

10. Debtors

	2022 £000	2021 £000
Amounts owed by group undertakings	1,883	2,563
Other debtors	688	516
Prepayments and accrued income	32	1
	<u>2,603</u>	<u>3,080</u>

11. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	163	34
Amounts owed to group undertakings	69,384	58,128
Other taxation and social security	35	52
Accruals and deferred income	1,765	1,602
	<u>71,347</u>	<u>59,816</u>

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Bank loans	<u>76,810</u>	<u>73,405</u>

13. Loans

Analysis of the maturity of loans is given below:

	2022 £000	2021 £000
Amounts falling due 2-5 years		
Bank loans	<u>76,810</u>	<u>73,405</u>

In December 2019 the Group entered into a new senior facility agreement ("SFA") with a consortium of lenders. The facilities total £90.2m, comprising a Facility B of £55.2m, a committed acquisition facility ("CAF") of £30m, and a revolving credit facility ("RCF") of £5.0m. All borrowings under these facilities are secured by a debenture over the assets of the Group.

On 5 August 2021, an amendment and restatement of the SFA was agreed with the Group's lenders to reset the covenants for the remaining term of the facilities and to transition the interest payable from LIBOR to the sterling overnight index average ("SONIA") risk-free rate.

Terms of the facilities are as follows:

1) Facility B £55.2m and CAF £30m: Interest payable on these facilities was, for the years ending 31 March 2021 and 31 March 2022, LIBOR plus a margin percentage, which is currently 4.75%. The margin is adjusted based on leverage ratios and ranges between 4% and 6.5%. From the date of the amendment and restatement, interest is payable at SONIA plus the applicable margin percentage. Both Facility B and CAF are repayable by 6 December 2025.

2) RCF of £5m: Interest payable on the RCF was, for the years ending 31 March 2021 and 31 March 2022, LIBOR plus a margin percentage, which is currently 4.25%. The margin is adjusted based on leverage ratios and ranges between 3.25% and 6.0%. From the date of the amendment and restatement, interest is payable at SONIA plus the applicable margin percentage. The RCF is a short-term facility repayable at the end of a drawn period (1, 3 or 6 months) and has a termination date of 6 December 2024.

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Loans (continued)

The amounts drawn at the respective balance sheet dates under these facilities were as follows:

	2022 £000	2021 £000
Facility B	55,200	55,200
CAF	24,914	21,919
	<hr/>	<hr/>
Gross bank loans under SFA	80,114	77,119
Capitalised debt issue costs	(3,304)	(3,714)
	<hr/>	<hr/>
	76,810	73,405
	<hr/>	<hr/>

14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1 Ordinary share of £1.00	1	1
	<hr/>	<hr/>

15. Contingent liabilities

The Group has a senior loan facility agreement in place, which is secured by a debenture over the assets of the Group. The Company has entered into a cross-guarantee of the loan facility. The loan balances outstanding under the Group's loan facility at 31 March 2022 were £80.1m (2021 - £77.1m).

16. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

During the year, costs were incurred with an indirect shareholder of the Company totalling £162k (2021 - £257k). Part of the costs incurred relate to the issue of debt and equity instruments during the period. Those costs have been amortised over the expected useful lives to which the instruments relate.

AGILICO BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Post balance sheet events

On 30 September 2022, the Company acquired the entire issued share capital of Capital Document Solutions Limited and its subsidiary undertakings for an initial cash consideration of £5.5m rising to a potential total cash consideration of £9.0m over the next 24 months depending on certain performance criteria being met. The acquisition is subject to customary cash, debt and working capital adjustments.

18. Controlling party

The immediate parent undertaking is Agilico Midco Limited, a company registered in England and Wales.

The ultimate parent undertaking and ultimate controlling party is Horizon Capital LLP, a Limited Liability Partnership registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ending 31 March 2022 have been drawn up, is that headed by Agilico Group Limited. Copies of the Group accounts are available from Companies House.