

Registration number: 12804840

Rocket Bidco Limited

Annual Report and Financial Statements

for the Period from 11 August 2020 to 31 December 2020



Rocket Bidco Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 6
Statement of Directors' Responsibilities	7
Independent Auditor's Report	8 to 11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15 to 25

Rocket Bidco Limited

Company Information

Directors	R M Bibi
	C P Morris
	T R Perrie-Franks
	E Wann
Registered office	11th Floor
	200 Aldersgate Street
	London
	United Kindgom
Auditors	EC1A 4HD
	Ernst & Young LLP
	2 St Peter's Square
	Manchester
	M2 3EY

Rocket Bidco Limited

Strategic Report for the Period from 11 August 2020 to 31 December 2020

The directors present their strategic report for the period from 11 August 2020 to 31 December 2020.

Principal activity and business review

The Company's ultimate parent company is Rocket Topco Limited, incorporated on 7 August 2020, and the new parent company of the Citation Group. During the period to 31 December 2020, as part of a group reorganisation, KKR (via newly formed Rocket Topco Limited), acquired 100% of the share capital of Citation Topco Limited on 15 September 2020. On 18 September 2020 Hg Pooled Management Limited acting on behalf of the limited partnerships comprising HgCapital 8 then exercised an option to acquire 50% of KKR's shareholding in Rocket Topco Limited, which completed on 17 December 2020. Rocket Topco Limited is therefore a joint venture company via which KKR and Hg have joint control of the Citation Group. The Company was newly incorporated on 11 August 2020 and therefore has no prior year comparatives.

The principal activity of the company is that of a holding company.

The results for the year are set out on page 12 of the financial statements.

Principal risks and uncertainties

Company specific and market risks

There are minimal specific risks which directly impact the Company's activities as it is a holding company. The following are wider Group risks.

The pace of continued growth depends upon the Group continuing to attract new clients for its services and the renewal of existing client contracts. The directors are confident the ongoing strong performance of the Group clearly demonstrates its success and resilience.

The servicing of the Group's growing client base requires ongoing recruitment of qualified service personnel.

The Group is dedicated to being a first-class employer and employing only the best.

The Group is confident of meeting the challenges of attracting new business because of the size of the market, the heavy regulatory burden on small and medium sized businesses, the deployment of new routes to market, and the enhanced development of the service offerings using technology and new products. Additional staff will continue to be recruited to match the growth in the business, and to deliver the standards of service as recognised by the various professional bodies the Group is accredited by, including BSI under the ISO accreditation regime.

Changes in legislation have a significant impact on the Group through updates to client information and the requirement to ensure that all staff maintain their comprehensive knowledge of the regulations that could affect clients.

Liquidity risk

The board reviews the Group's liquidity risks annually as part of the planning process and on an ad-hoc basis. The board considers short-term requirements against available sources of funding taking into account forecast cash flow. The Group manages liquidity risk by maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.

Credit risk

The Group is exposed to credit risk on financial assets, such as trade and other receivables.

Rocket Bidco Limited

Strategic Report for the Period from 11 August 2020 to 31 December 2020

Brexit Risk

There has been no direct impact on the Company's activities as a result of Brexit as it is a holding company. However, the Board has considered the impact of Brexit on the Company's direct and indirect subsidiaries and consider the risk to be minimal. This is due to the wider Group having a diversified portfolio of over 40,000 clients and sales predominantly being to UK businesses.

Climate risk

The board recognises the importance of issues such as climate change and energy consumption and that scrutiny as a result of increasingly stringent environmental regulation will continue to grow. The climate risk for the Company and wider Group is considered to be minimal due to the predominantly service based offering provided by the Group and the ability to carry out services remotely as demonstrated throughout the peak of the Covid-19 pandemic. We are continuing to look for ways to minimise our impact on the environment. Such projects include reduction in non-essential travel across the Group and the minimisation of waste through prevention, re-use and recycling and a movement towards working with environmentally responsible suppliers.

Covid-19 Update

The impact of the Covid-19 pandemic on the company itself has been minimal as the Company itself does not actively trade, so there has been minimal disruption by the pandemic.

Approved by the Board on ~~30/09/20~~ and signed on its behalf by:



.....
E Wann
Director

Rocket Bidco Limited

Directors' Report for the Period from 11 August 2020 to 31 December 2020

The directors present their report and the financial statements for the period from 11 August 2020 to 31 December 2020.

Incorporation

The company was incorporated and commenced trading on 11 August 2020.

The Group maintains its commitment to the ongoing investment in staff, operational improvements and technology, including proprietary software.

In the year ended 31 December 2020, the wider Group, headed by Rocket Topco Limited, continued to grow its new business acquisitions, with renewed business remaining strong.

Future developments

There are no developments anticipated for this Company in the near future.

Results and dividends

The loss for the year, after taxation, amounted to £4,441,383

The Directors do not recommend the payment of a dividend.

Directors of the company

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

R M Bibi (appointed 4 November 2020)

C P Morris (appointed 19 October 2020)

T R Perrie-Franks (appointed 11 August 2020)

E Wann (appointed 19 October 2020)

J Metzner (appointed 11 August 2020 and ceased 4 November 2020)

Indemnity provision for directors

During the year the Company had third party indemnity insurance for the Directors and Officers. This insurance remains in force as at the date of approving the Directors' report.

Key performance indicators

The board uses a range of financial and non-financial performance indicators, reported on a regular basis, to monitor the performance of the Group over time. The Directors do not consider there to be any KPIs for this Company.

Environmental matters

The Group is committed to minimising the environmental impact of its activities, products and services. The board regularly evaluate the Group's policies in order to ensure compliance with relevant environmental legislation, regulations and other environmental requirements is maintained. During the year, the focus has been on the minimisation of waste through prevention, re-use and recycling and a movement towards working with environmentally responsible suppliers. Consequently, this has seen a reduction in non-recyclable plastic waste used across the Group. Further, the impact of the Covid-19 pandemic has increased the level of remote working across the Group resulting in a reduction in employee travel, printing and the environmental footprint of offices. These changes support and sustain a new business model which helps achieve environmental and business goals.

Rocket Bidco Limited

Directors' Report for the Period from 11 August 2020 to 31 December 2020

Going concern

After preparing projections to December 2022 the directors have assessed the need for continued financial support. The Company is reliant on financial support from its parent company who has confirmed it will provide financial support to assist the Company to meet its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the company to meet such liabilities.

The company participates in the Group's centralised treasury arrangement and so shares banking arrangements with fellow group companies.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report above including the actions taken to mitigate the impact of Covid-19.

The Group participates in a centralised treasury arrangement and so shares banking arrangements with all companies in the Rocket Topco Limited Group. The group closely monitors its funding position throughout the year including monitoring continued compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. The group has restructured its funding arrangements as part of the sale of group companies on 15 September 2020. Further changes to our funding arrangements were agreed post year end, to provide the group with additional facilities and cash headroom.

Forecasts are produced monthly, along with any related sensitivity analysis to allow proactive management of any business risks including liquidity risk. Using these forecasts and sensitivities management have performed a reverse stress test to identify the potential breaking point of liquidity and loan covenants.

From the sensitivities that were run, it was determined adjusting the key levers to models as below would still leave significant headroom for forecast covenants and liquidity:

A 20% reduction in the existing contracted client base including a 25% decrease in take-up on customer renewals; together with

An average fall of new business across the forecast period of 70% against baseline budgeted growth.

The results of this test indicated no reasonable scenarios in which the group would face potential covenant breaches or liquidity issues.

The Directors are therefore satisfied they have a reasonable basis upon which to conclude that the group is able to continue as a going concern to December 2022.

The key factors supporting this are:

- The Group has a contracted and recurring revenue base which is not reliant on any sector, making the business more resilient to demand shocks. Outside of the food Division the remainder of the business has grown since the outbreak of covid-19 in the UK.
- With cash at the end of 2020 of £15m and a £25m undrawn revolving credit Facility the group had sufficient liquidity at the start of 2020 for the period ahead. The group has increased this limit by a further £10m after the balance sheet date.
- Only interest repayments are required to be made until the maturity of the bank debt in 2027.

Employee involvement

Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the Company and are of interest to them as employees.

Rocket Bidco Limited

Directors' Report for the Period from 11 August 2020 to 31 December 2020

Employment of disabled persons

Disabled employees are given full and fair consideration for all types of vacancies. Should an existing employee become disabled, such steps as are practical and reasonable are taken to retain him or her in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except insofar as such opportunities are constrained by the practical limitations of their disability.

Financial instruments

The Company's primary financial instruments are cash, inter Group receivables and loan notes and bank loans carried at amortised cost. The Company does not have derivative financial instruments.

Post balance sheet events

On the 24th March 2021 the Company extended the limit of its existing Rolling Credit Facility by £10,000,000 to £35,000,000. There have been no drawdowns on this facility.

On 27th August 2021 the Company drew down \$34,000,000 AUD in respect of the £75,000,000 acquisition facility with HPS and KKR Credit. Interest is charged at LIBOR +6.25%.

On 9th September 2021 the Company drew down £15,100,000 in respect of the £75,000,000 acquisition facility with HPS and KKR Credit. Interest is charged at LIBOR +6.25%.

Disclosure of information to the auditors

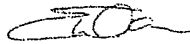
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- 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.

Reappointment of auditors

The auditor, Ernst & Young LLP was appointed in the year and will be proposed for reappointment in accordance with the Companies (Jersey) Law 1991, having indicated their willingness to continue in office.

Approved by the Board on 30/09/21 and signed on its behalf by:



.....
E Wann
Director

Rocket Bidco Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Rocket Bidco Limited

Independent Auditor's Report to the Members of Rocket Bidco Limited

Opinion

We have audited the financial statements of Rocket Bidco Limited for the period ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 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 company's affairs as at 31 December 2020 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

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 15 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 contained within the annual report.

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.

Rocket Bidco Limited

Independent Auditor's Report to the Members of Rocket Bidco Limited

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 there is 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 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 directors' responsibilities statement set out on page 7, 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.

Rocket Bidco Limited

Independent Auditor's Report to the Members of Rocket Bidco Limited

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, being anti-bribery regulations, GDPR and employment law and regulations.
- We understood how Rocket Bidco Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation and minutes of meetings of those charged with governance. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override particularly as a result of manual journals at year-end. We performed audit procedures to address the identified fraud risk into our testing of manual journals, identifying specific transactions which did not meet our expectations and investigated these and agreed to supporting documentation to corroborate our understanding.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations, including enquiries of Group management. In addition, we completed procedures to conclude on the compliance of the disclosures in financial statements with the requirements of the relevant accounting standards and legislation.

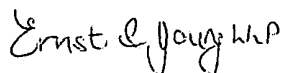
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Rocket Bidco Limited

Independent Auditor's Report to the Members of Rocket Bidco Limited

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.



Elizabeth Jones (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

Date: 30 September 2021

Rocket Bidco Limited

Statement of Comprehensive Income for the Period from 11 August 2020 to 31 December 2020

	Note	2020 £
Turnover		-
Gross profit		-
Administrative expenses		(6,764,725)
Operating loss	3	(6,764,725)
Interest receivable and similar income	4	7,047,345
Interest payable and similar expenses	5	(4,724,003)
		<u>2,323,342</u>
Loss before tax		(4,441,383)
Tax on loss	8	-
Loss for the financial period		<u>(4,441,383)</u>
Total comprehensive loss for the period		<u>(4,441,383)</u>

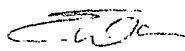
The above results were derived from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

Rocket Bidco Limited
(Registration number: 12804840)
Statement of Financial Position as at 31 December 2020

	Note	2020 £
Fixed assets		
Investments	9	185,262,939
Current assets		
Debtors	10	404,246,109
Cash at bank and in hand		<u>92,858</u>
		404,338,967
Creditors: Amounts falling due within one year	12	<u>(6,803,041)</u>
Net current assets		<u>397,535,926</u>
Total assets less current liabilities		582,798,865
Creditors: Amounts falling due after more than one year	12	<u>(260,557,298)</u>
Net assets		<u><u>322,241,567</u></u>
Capital and reserves		
Called up share capital		326,682,950
Profit and loss account		<u>(4,441,383)</u>
Shareholders' funds		<u><u>322,241,567</u></u>

Approved and authorised by the Board on ~~30.09.20~~ and signed on its behalf by:



E Wann
Director

Rocket Bidco Limited

Statement of Changes in Equity for the Period from 11 August 2020 to 31 December 2020

	Share capital £	Profit and loss account £	Total £
Loss for the period	-	(4,441,383)	(4,441,383)
Total comprehensive income	-	(4,441,383)	(4,441,383)
New share capital subscribed	326,682,950	-	326,682,950
At 31 December 2020	326,682,950	(4,441,383)	322,241,567

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

11th Floor
200 Aldersgate Street
London
United Kingdom
EC1A 4HD

2 Accounting policies

2.1 Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Statement of compliance and basis of preparation

The financial statements have been prepared in compliance with Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the Company.

The Company has taken the exemption to prepare consolidated accounts as per section 9.3(g) of FRS 102.

2.3 Group Reorganisation

The Company's ultimate parent company is Rocket Topco Limited, incorporated on 7 August 2020, and the new parent company of the Citation Group. During the period to 31 December 2020, as part of a group reorganisation, KKR (via newly formed Rocket Topco Limited), acquired 100% of the share capital of Citation Topco Limited on 15 September 2020. On 18 September 2020 Hg Pooled Management Limited acting on behalf of the limited partnerships comprising HgCapital 8 then exercised an option to acquire 50% of KKR's shareholding in Rocket Topco Limited, which completed on 17 December 2020. Rocket Topco Limited is therefore a joint venture company via which KKR and Hg have joint control of the Citation Group. Rocket Bidco Limited was newly incorporated on 11 August 2020 and therefore has no prior year comparatives.

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

2.4 Going concern

After preparing projections to December 2022 the directors have assessed the need for continued financial support. The company is reliant on financial support from its parent company who has confirmed it will provide financial support to assist the company to meet its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the company to meet such liabilities.

The company participates in the Group's centralised treasury arrangement and so shares banking arrangements with fellow group companies.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report above including the actions taken to mitigate the impact of Covid-19.

The Group participates in a centralised treasury arrangement and so shares banking arrangements with all companies in the Rocket Topco Limited Group. The group closely monitors its funding position throughout the year including monitoring continued compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. The group has restructured its funding arrangements as part of the sale of group companies on 15 September 2020. Further changes to our funding arrangements were agreed post year end, to provide the group with additional facilities and cash headroom.

Forecasts are produced monthly, along with any related sensitivity analysis to allow proactive management of any business risks including liquidity risk. Using these forecasts and sensitivities management have performed a reverse stress test to identify the potential breaking point of liquidity and loan covenants.

From the sensitivities that were run, it was determined adjusting the key levers to models as below would still leave significant headroom for forecast covenants and liquidity:

- A 20% reduction in the existing contracted client base including a 25% decrease in take-up on customer renewals; together with
- An average fall of new business across the forecast period of 70% against baseline budgeted growth.

The results of this test indicated no reasonable scenarios in which the group would face potential covenant breaches or liquidity issues.

The Directors are therefore satisfied they have a reasonable basis upon which to conclude that the group is able to continue as a going concern to December 2022.

The key factors supporting this are:

- The Group has a contracted and recurring revenue base which is not reliant on any sector, making the business more resilient to demand shocks. Outside of the food Division the remainder of the business has grown since the outbreak of covid-19 in the UK.
- With cash at the end of 2020 of £15m and a £25m undrawn revolving credit Facility the group had sufficient liquidity at the start of 2020 for the period ahead. The group has increased this limit by a further £10m after the balance sheet date.
- Only interest repayments are required to be made until the maturity of the bank debt in 2027.

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

2.5 Summary of 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":

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Related party disclosures;
- Cashflow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Rocket Midco Limited include the equivalent disclosures, the Company has also taken the exemption under FRS 102 available in respect of the following disclosure.

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

2.6 Judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires management to make judgements, 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. However the nature of estimation means that actual outcomes could differ from those estimates. There were no judgments or material estimation uncertainties affecting the reported financial performance and position in the current year.

2.7 Operating segments

An operating segment analysis has not been presented as the entity has one activity which is based in one geographical area.

2.8 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 indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Current debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, 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 and 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 outright 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 Statement of comprehensive income.

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 balance sheet 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.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

2.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Borrowing costs

The arrangement costs for the bank loans are charged to the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2.17 Taxation

Tax is recognised in the Statement of comprehensive income, 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 based on 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.

2.18 Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Operating loss

Transaction related costs were incurred as part of the sale of the Citation Topco Group and are costs that are directly attributable to the transaction. The following transaction costs were included in administrative expenses in the statement of comprehensive income:

	2020 £
Professional and legal fees	5,115,662
Fees paid to new investors	<u>812,500</u>

Audit fees of £3,000 (2019: £Nil) were borne by another Group Company and not recharged.

4 Interest receivable and similar income

	2020 £
Interest receivable on loans to Group undertakings	<u>7,047,345</u>

Interest is charged at 6.25% per annum.

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

5 Interest payable and similar expenses

	2020 £
Bank loan interest payable	<u>4,724,003</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £
Wages and salaries	140,175
Social security costs	18,637
Pension costs, defined contribution scheme	<u>5,355</u>
	<u>164,167</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2020 No.
Administration	<u>2</u>

7 Directors' remuneration

The directors' remuneration for the period was as follows:

	2020 £
Remuneration	140,175
Company pension contributions to defined contribution schemes	<u>5,355</u>
	<u>145,530</u>

During the year retirement benefits were accruing to 2 Directors in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £84,000 with £Nil company pension contributions to defined contribution schemes.

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

8 Taxation

Tax charged/(credited) in the income statement

2020
£

Current taxation

UK corporation tax

-
-
-

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK of 19%.

The differences are reconciled below:

2020
£

Loss before tax

(4,441,383)

Corporation tax at standard rate

(843,863)

Permanent differences

843,863

Total tax charge/(credit)

-

9 Investments

2020
£

Investments in subsidiaries

185,262,939

£

Cost or valuation

Additions

185,262,939

Provision

Carrying amount

At 31 December 2020

185,262,939

The additions to investments relate to the investment in Citation Topco Limited, as detailed in Note 2.3.

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

Details of undertakings

The following are subsidiary undertakings of Rocket Bidco Limited:

Subsidiary undertakings

Name	Country of incorporation	Class of shares	Holding	Principal activity
Citation Topco Limited	Jersey**	Ordinary shares	100%	Holding company
Citation Midco Limited*	Jersey**	Ordinary shares	100%	Holding company
Citation PIKco Limited*	Jersey**	Ordinary shares	100%	Holding company
Citation Holdco Limited*	Jersey**	Ordinary shares	100%	Holding company
Citation Bidco Limited*	Jersey**	Ordinary shares	100%	Holding company
Caesar Topco Limited	England and Wales***	Ordinary shares	100%	Holding Company
Caesar Midco Limited*	England and Wales***	Ordinary shares	100%	Holding company
Caesar Bidco Limited*	England and Wales***	Ordinary shares	100%	Holding company
Citation Holdings Limited*	England and Wales***	Ordinary shares	100%	Holding company
Citation Limited*	England and Wales***	Ordinary shares	100%	Health & Safety and Employment Legislation
Citation NBS Limited*	England and Wales***	Ordinary shares	100%	Dormant
BCAS Consulting	England and Wales***	Ordinary shares	100%	Dormant
QMS International Limited*	England and Wales***	Ordinary shares	100%	Provision of ISO Consiltancy
Education Personnel Management Holdings Limited*	England and Wales***	Ordinary shares	100%	Holding company
Education Personnel Management Limited*	England and Wales***	Ordinary shares	100%	Employment Legislation and payroll services
Citation Fire & Electrical Limited*	England and Wales***	Ordinary shares	100%	Electrical Safety services
Safety Management Advisory Services Limited*	England and Wales***	Ordinary shares	100%	SSIP accreditation
Solutionhost Group Limited*	England and Wales***	Ordinary shares	100%	Holding company

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

HS Direct Limited*	England and Wales***	Ordinary shares	100%	Health & Safety services
Solution Host (UK) Limited*	England and Wales***	Ordinary shares	100%	Software hosting
EL Direct Ltd*	England and Wales**	Ordinary shares	100%	Employment Law services
Southall Associates Ltd*	England and Wales***	Ordinary shares	100%	Health & Safety services
Avec Partnership Limited*	England and Wales***	Ordinary shares	100%	Professional support services to schools and academies
Food Alert Limited*	England and Wales***	Ordinary shares	100%	Food Safety services
The Xact Group Limited*	Scotland****	Ordinary shares	100%	Health & Safety services
Xact Consulting Limited*	Scotland****	Ordinary shares	100%	Health & Safety services
iHasco Limited***	England and Wales***	Ordinary shares	100%	Provision of E-learning software

*held by a subsidiary undertaking

**registered at 22 Grenville Street, St Helier, Jersey, JE4 8PX

***registered at Kings Court, Water Lane, Wilmslow, Cheshire, SK9 5AR

****registered at C/O Addleshaw Goddard Llp Exchange Tower, Canning Street, Edinburgh, Scotland, EH3 8EH

The Group has made the following acquisitions in the period 1st January 2020 to 31st December 2020 and these have no direct accounting consequences within Rocket Bidco Limited:

On 6th January 2020, The Xact Group Limited and Xact Consulting Limited was acquired by Citation Limited.

On 22nd October 2020, iHasco Limited was acquired by Citation Holdings Limited.

10 Debtors

	2020
	£
Amounts owed by related parties	403,804,916
Other debtors	441,193
	<u>404,246,109</u>

The amounts owed by Group undertakings relate to intercompany loans to Citation Topco Limited. Balances are repayable on demand.

11 Cash and cash equivalents

	2020
	£
Cash at bank	<u>92,858</u>

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

12 Creditors

	Note	2020 £
Due within one year		
Amounts owed to Group undertakings		5,871,151
Accruals		190,950
Accrued interest		<u>740,940</u>
		<u>6,803,041</u>
Due after one year		
Loans and borrowings	14	267,717,950
Capitalised facility costs (amortised)		<u>(7,160,652)</u>
		<u>260,557,298</u>

The amounts owed to group undertakings relates to intercompany loans from Citation Holdings Limited and Citation Limited. Balances are repayable on demand.

13 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £5,355.

14 Loans and borrowings

	2020 £
Non-current loans and borrowings	
Bank borrowings	267,717,950
Other borrowings	<u>(7,160,652)</u>
	<u>260,557,298</u>

An amount of £225,000,000 in respect of the Unitranche loan, with HPS and KKR Credit, was issued upon the sale of the Group of Companies headed by Citation Topco Limited. The loan is due for repayment on 15 Sept 2027. Interest is charged at LIBOR + 6.25%.

An amount of £42,717,950 is outstanding in respect of the £75,000,000 acquisition credit facility with HPS and KKR Credit. Interest is charged at LIBOR + 6.25%.

An amount of £25,000,000 is available in respect to the revolving credit facility with National Westminster Bank Plc. Interest is charged at LIBOR + 3%. No drawdowns have been made on this facility.

Rocket Bidco Limited

Notes to the Financial Statements for the Period from 11 August 2020 to 31 December 2020

15 Financial instruments

Categorisation of financial instruments

	2020 £
Financial assets that are debt instruments measured at amortised cost	403,804,916
Financial liabilities that are measured at amortised cost	267,360,338

Financial assets measured at amortised cost comprise amounts owed by Group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, accruals and amounts owed to Group undertakings.

16 Share capital

New shares allotted

Upon incorporation on 11 August 2020 1 share with an aggregate nominal value of £1 was allotted and issued for an aggregate consideration of £1. Subsequently, 326,682,949 Ordinary shares with an aggregate nominal value of £326,682,949 were allotted and issued on 15 September 2020, for an aggregate consideration of £326,682,949.

17 Post Balance Sheet Events

On 24 March 2021 the Company extended the limit of its existing Rolling Credit Facility by £10,000,000 to £35,000,000. There have been no drawdowns on this facility.

On 27 August 2021 the Company drew down \$34,000,000 AUD in respect of the £75,000,000 acquisition facility with HPS and KKR Credit. Interest is charged at LIBOR +6.25%.

On 9 September 2021 the Company drew down £15,100,000 in respect of the £75,000,000 acquisition facility with HPS and KKR Credit. Interest is charged at LIBOR +6.25%.

18 Controlling party

At 31 December 2020, the Company was a wholly owned subsidiary undertaking of Rocket Topco Limited, a Company registered and incorporated in Jersey. The largest Group in which the results of the Company are consolidated is that headed by Rocket Topco Limited. The smallest Group in which they are consolidated is that headed by Rocket Midco Limited. Copies of the financial statements of Rocket Topco Limited are available from 2nd Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB and copies of the financial statements of Rocket Midco Limited are available from 11th Floor 200 Aldersgate Street, London, United Kingdom, EC1A 4HD.

The Company's immediate parent undertaking is Rocket Midco Limited.

The ultimate parent undertakings and controlling parties at 31st December 2020 are Rocket Aggregator L.P. incorporated in Canada and HGC Capital 8 Nominees Limited.