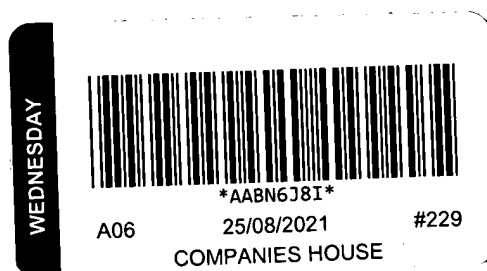


# Arkarius Midco Limited

Annual Report and Financial Statements

For the year ended 31 October 2020



**Registered number: 10532351**

## **ARKARIUS MIDCO LIMITED**

### **Company information**

<b>Directors</b>	W J Catterick D Crawford
<b>Registered number</b>	10532351
<b>Registered office</b>	KD Tower, Cotterells Hemel Hempstead Hertfordshire HP1 1FW

## **ARKARIUS MIDCO LIMITED**

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## **ARKARIUS MIDCO LIMITED DIRECTORS' REPORT**

### **Directors' report**

**For the year ended 31 October 2020**

The directors present their report and financial statements for the year ended 31 October 2020.

#### **Principal activities**

Arkarius Midco Limited incorporated on 19 December 2016. The company was dormant during the current year and prior year.

#### **Directors**

The directors who served during the year and up to date of the approval of financial statements were:

W J Catterick (Appointed 19 February 2020)

I Ahmed (Appointed 14 January 2020, resigned 30 September 2020)

K J Budge (Resigned 03 January 2020)

D Crawford

#### **Going Concern**

The company has a net asset position as at 31 October 2020 of £1 (2019: £1). The company is also a guarantor of the Group loan arrangements and as such the going concern assessment of the company is dependent on the going concern assessment of the Optionis Group. The company forecasts are accumulated into the group forecasts alongside the forecasts of the other companies within the group.

The board has reviewed the latest forecasts of the group and considered the obligations of the group's financing arrangements. The group continues to operate well within its existing facilities and there are no concerns at this time in relation to the group's ability to meet its quarterly covenants. Given the continued strong liquidity of the group, the board has concluded that a going concern basis of preparation of its consolidated financial statements is appropriate.

These forecasts have been prepared taking account of the current and potential impacts of the Covid-19 pandemic and the IR35 reforms may have on the recruitment market volatility. As part of this review the directors' considered specific assumptions and risks to achieving forecast outcomes and have considered liquidity as well as the ability to operate within the group's current financing facilities which are subject to covenant tests. The going concern status of the company is reliant on legislation surrounding the contractor industry, the IR35 reforms may drive contractors into an employment status, however these accountancy clients can remain within the group with packages being offered to easily move between the groups accountancy and umbrella offerings. The forecasts also took into account the substantial growth being seen during early 2021 in the Umbrella CGU which directly impacts both profitability but also the groups liquidity position favourably. During the current year the group met all covenant tests and based on the forecast will do so throughout the review period through to June 2022.

The group has also undertaken reverse stress tests of the forecasts assessing what deviation from budget would be required in both client numbers and Umbrella working capital at each test date for the group to breach its covenants tests. Based on the current performance and trends in the business it would require a significant deviation for there to be a breach. Based on the forecasts, and the reverse stress testing performed, the directors do not consider there is any outcome that could be reasonably foreseen that would cast doubt on the company's ability to continue as a going concern.

**ARKARIUS MIDCO LIMITED**  
**DIRECTORS' REPORT**

**Directors' report (continued)**

**For the year ended 31 October 2020**

**Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

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.

The directors 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.

**ARKARIUS MIDCO LIMITED**  
**DIRECTORS' REPORT**

**Directors' report (continued)**

**For the year ended 31 October 2020**

**Business review and future developments**

The company did not trade during the current or prior year.

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

**Income statement for the year ended 31 October 2020**

The company did not trade during the year and has made neither profit or loss, nor any other recognised gains or loss (2019: £nil)

This report was approved by the board on 2 June 2021 and signed on its behalf.



**W J Catterick**

**Director**

**ARKARIUS MIDCO LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

**As at 31 October 2020**

	<b>Note</b>	<b>31 October 2020 £</b>	<b>31 October 2019 £</b>
<b>Fixed assets</b>			
Investments	5	1	1
		<u>1</u>	<u>1</u>
<b>Net liabilities</b>		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up Share capital	6	1	1
Retained earnings	7	-	-
		<u>1</u>	<u>1</u>
<b>Total equity</b>		<u>1</u>	<u>1</u>

The company was dormant during the current year and prior period. Consequently, a Statement of Comprehensive Income has not been presented.

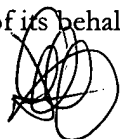
The financial statements have been prepared in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006.

For the year ending 31 October 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 2 June 2021 and signed of its behalf by:



**W J Catterick**  
**Director**

Registered Number: 10532351

**ARKARIUS MIDCO LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

**For the year ended 31 October 2020**

	<b>Called up Share capital</b>	<b>Accumulated losses</b>	<b>Shareholders deficit</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 November 2018	1	-	1
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
At 31 October 2019	1	-	1
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
<b>At 31 October 2020</b>	<b>1</b>	<b>-</b>	<b>1</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## **ARKARIUS MIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Company information**

Arkarius Midco Limited is a limited liability company, incorporated on 19 December 2016, and domiciled in United Kingdom. The registered office is KD Tower Cotterells, Hemel Hempstead, Hertfordshire, HP1 1FW.

The company's financial statements have been prepared in compliance with FRS 102 1A as it applies to the financial statements for the year ended 31 October 2020. The Company has elected not to present a strategic report in accordance with section 414B or the Companies Act 2006 exemption relating to small companies.

#### **2. Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis as modified by the recognition of certain financial assets and liabilities measured at fair value through profit and loss. The financial statements are presented in Sterling (£) which is the functional currency of the company and rounded to the nearest £ Sterling. There are no accounting policies where the use of assumptions or estimates are determined to be significant to the financial statements.

The company has also adopted the following disclosure exemptions:

- categories of financial instruments;
- key management personnel disclosure;
- items of income, expenses, gains or losses relating to financial instruments;
- exposure to and managements of financial risks;
- the requirement to present a statement of cash flows and related notes; and
- related party disclosures relating to transactions entered into between two or more wholly owned members of the group

#### **Going Concern**

The company has a net asset position as at 31 October 2020 of £1 (2019: £1). The company is also a guarantor of the Group loan arrangements and as such the going concern assessment of the company is dependent on the going concern assessment of the Optionis Group. The company forecasts are accumulated into the group forecasts alongside the forecasts of the other companies within the group.

The board has reviewed the latest forecasts of the group and considered the obligations of the group's financing arrangements. The group continues to operate well within its existing facilities and there are no concerns at this time in relation to the group's ability to meet its quarterly covenants. Given the continued strong liquidity of the group, the board has concluded that a going concern basis of preparation of its consolidated financial statements is appropriate.

These forecasts have been prepared taking account of the current and potential impacts of the Covid-19 pandemic and the IR35 reforms may have on the recruitment market volatility. As

## **ARKARIUS MIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **2. Basis of preparation (continued)**

##### **Going Concern (continued)**

part of this review the directors' considered specific assumptions and risks to achieving forecast outcomes and have considered liquidity as well as the ability to operate within the group's current financing facilities which are subject to covenant tests. The going concern status of the company is reliant on legislation surrounding the contractor industry, the IR35 reforms may drive contractors into an employment status, however these accountancy clients can remain within the group with packages being offered to easily move between the groups accountancy and umbrella offerings. The forecasts also took into account the substantial growth being seen during early 2021 in the Umbrella CGU which directly impacts both profitability but also the groups liquidity position favourably. During the current year the group met all covenant tests and based on the forecast will do so throughout the review period through to June 2022.

The group has also undertaken reverse stress tests of the forecasts assessing what deviation from budget would be required in both client numbers and Umbrella working capital at each test date for the group to breach its covenants tests. Based on the current performance and trends in the business it would require a significant deviation for there to be a breach. Based on the forecasts, and the reverse stress testing performed, the directors do not consider there is any outcome that could be reasonably foreseen that would cast doubt on the company's ability to continue as a going concern.

#### **3. Principal accounting policies**

##### **3.1 Investments**

Investments in subsidiaries are accounted for at cost less any impairment in the individual financial statements.

#### **4. Employees and directors**

There were no employees of the company for the current or prior period, other than the directors.

#### **5. Employees and directors**

There were no employees of the company for the current or prior period, other than the directors.

##### **Directors' emoluments**

Total directors' emoluments in the year were £750,581 (2019: £642,491). The directors' emoluments in 2020 and 2019 for all directors were paid by Optionis Group Limited (formerly Arkarius Group Limited), a fellow group company. No recharges were made to the company for the directors' services and the directors do not believe it possible to apportion the remuneration between the companies.

The highest paid director received remuneration of £280,000 (2019: £237,557).

**ARKARIUS MIDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**6. Investments**

	<b>Investment in subsidiary</b>
<b>Cost</b>	<b>£</b>
At 31 October 2019	1
At 31 October 2020	1
<b>Net book amount at 31 October 2020</b>	<b>1</b>
Net book amount at 31 October 2019	1

At 31 October 2020 the Company had interests in the following subsidiary:

<b>Subsidiaries</b>	<b>Types of shares held</b>	<b>Proportion held (%)</b>	<b>Country of incorporation</b>	<b>Nature of Business</b>
Arkarius Bidco	Ordinary	100%	England & Wales	Professional Services

**7. Called up share capital**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Allotted, issued and fully paid</b>		
1 (2019: 1) ordinary share of £1 each	1	1

**8. Reserves**

Called up share capital – represents the nominal value of shares that have been issued.

Retained earnings – represents all retained profits, losses and distributions for the company.

**9. Ultimate controlling party**

The company's immediate parent undertaking is Optionis Group Limited (formerly Arkarius Group Limited), a company incorporated in United Kingdom, by virtue of its shareholding.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Optionis Limited (formerly Optionis Holdco Limited), a company incorporated in United Kingdom. A copy of the financial statements can be obtained from the Company Secretary at the company's address, being KD Tower, Cotterells, Hemel Hempstead, Hertfordshire, HP1 1FW. In the opinion of the directors, there is no ultimate controlling party of the Group.

Key management personnel, who are considered to be the directors, provide their services to other entities within the Optionis group and consider that these services to the company are incidental to their activities within the group.