

Abyssinian Bidco Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

TUESDAY



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COMPANIES HOUSE

Company Information

Registered number 11650137

Registered office Investcorp House
48 Grosvenor Street
Mayfair
London
W1K 3HW

Directors Julian Bennet (appointed 30 October 2018)
Gilbert Kamieniecky (appointed 30 October 2018)

Independent auditor Grant Thornton UK LLP
Chartered Accountants & Senior Statutory Auditor
101 Cambridge Science Park
Milton Road
Cambridge
CB4 0FY

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Directors' Report

for the period ended 31 December 2019

The Directors present their report and the audited financial statements of the company for the period ended 31 December 2019.

Incorporation

Abyssinian Bidco Limited ('the Company') was incorporated on 30 October 2018 and is a holding company which was primarily formed for the acquisition of Ubisense Limited by Investcorp.

Directors

The Directors who served during the period were:

Julian Bennet (appointed 30 October 2018)

Gilbert Kamieniecky (appointed 30 October 2018)

Directors' Indemnity Arrangements

The Company has made qualifying third party indemnity provisions for the benefit of the Directors which were made during the period and remain in force at the date of this report.

The Company has purchased and maintained throughout the period Directors' & Officers' liability insurance in respect of itself and its Directors.

Principal risks and uncertainties

The principal risks facing the business are linked to the risks associated with Ubisense Limited and are set out in the strategic report for that 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 and 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 and the Company's auditor is aware of that information.

Post balance sheet events

Since 31 December 2019, the consequences of the COVID-19 outbreak have adversely disrupted the operations of the Company's subsidiary undertaking, generating uncertainty over the recoverability of the Company's investment in its subsidiary. The Company and its subsidiary undertaking are taking appropriate action to monitor, address and mitigate these uncertainties and increased risks and as a result there is currently no indication the investment is impaired.

Auditor

The auditor, Grant Thornton UK LLP who was appointed in the period, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board on 22 December 2020 and signed on its behalf.



Julian Bennet
Director

Directors' Responsibilities Statement

for the period ended 31 December 2019

The Directors are responsible for preparing 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 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;
- 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 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 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 Abyssinian Bidco Limited

Opinion

We have audited the financial statements of Abyssinian Bidco Limited (the 'Company') for the period ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and notes to the financial statements, 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 Financial Reporting Standard 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 December 2019 and of the Company's profit 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 and the parent 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK and at the date of this report their effects are subject to unprecedented levels of uncertainty with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent Auditor's Report (Continued)

to the members of Abyssinian Bidco Limited

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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 and the parent 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 the parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (Continued)

to the members of Abyssinian 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.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Alison Seekings

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Cambridge

22 December 2020

Statement of Comprehensive Income

for the period ended 31 December 2019

	Notes	2019 £'000 Total
Operating income		166
Operating expenses		(18)
Operating loss		148
Finance income	[6]	16
Profit before tax		164
Income tax	[7]	-
Profit for the period		164
Total comprehensive income for the period		164

The notes on pages 9 to 14 are an integral part of these consolidated financial statements.

Statement of Changes in Equity

for the period ended 31 December 2019

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Issued on date of incorporation		-	-	-	-
Shares issued in the period	[13]	379	37,521	-	37,900
Profit for the period		-	-	164	164
Balance at 31 December 2019		379	37,521	164	38,064

The notes on pages 9 to 14 are an integral part of these financial statements.

Statement of Financial Position

for the period ended 31 December 2019

	Notes	2019 £'000
Non-current assets		
Investments	[8]	29,487
Total non-current assets		29,487
Current assets		
Trade and other receivables	[10]	6,778
Cash and cash equivalents	[9]	1,799
Total current assets		8,577
Net assets		38,064
Equity		
Called up share capital	[13]	379
Share premium	[14]	37,521
Retained earnings		164
Equity attributable to owners of the parent Company		38,064

The notes on pages 9 to 14 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 22 December 2020 and signed on its behalf by:

Julian Bennet

Julian Bennet

Abyssinian Bidco Limited
Registered Number: 11650137

Notes to the Financial Statements

for the period ended 31 December 2019

1. General information

Abyssinian Bidco Limited was incorporated on 30 October 2018 and is a limited company that is incorporated and domiciled in the United Kingdom. The registered office and principle place of business is: Investcorp House, 48 Grosvenor Street, Mayfair, London, W1K 3HW.

Abyssinian Bidco Limited ('the Company') is a holding company which was primarily formed for the acquisition of Ubisense Limited by Investcorp.

The Financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these Financial statements are rounded to the nearest £'000.

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 Company management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The global health crisis caused by Coronavirus (COVID-19) has had a significant impact on all businesses. The directors have assessed the potential impact of this uncertain situation on the Company and do not consider that it will lead to any subsequent impairment of the reported amount of the value of assets.

The entity is an intermediate holding company. The going concern assessment has been prepared on a group basis and assumes no settlement of intercompany debt. The directors have prepared cash flow forecasts which indicate that the Group has adequate resources to both continue in operational existence and meet its liabilities as they fall due for the foreseeable future being at least 12 months from the date of approval of the financial statements. Accordingly the directors continue to adopt the going concern basis in preparing these financial statements.

2.3 Consolidated financial statements

The company is a wholly owned subsidiary of Abyssinian Midco Limited and Abyssinian Topco Limited. It is included in the consolidated financial statements of Abyssinian Topco Limited which are publicly available. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The address of the parent's registered office is Investcorp House 48 Grosvenor Street, Mayfair, London, United Kingdom, W1K 3HW. Further details of the parent and ultimate parent undertakings can be found in note 16.

These financial statements are the company's separate financial statements.

2.4 Statement of cash flows

The Company has taken advantage of the provisions made by FRS102 section 3.1B of not preparing a statement of cash flows.

2.5 Interest income

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

Notes to the Financial Statements

for the period ended 31 December 2019

2. Accounting policies (Continued)

2.6 Taxation

Tax is recognised in the Consolidated 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 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 and the Company operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.7 Investment in subsidiary company

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term 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.

2.9 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.

2.10 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and cash at bank.

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 Consolidated 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.

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.

2.11 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its parent or with members of the same group that are wholly owned.

Notes to the Financial Statements

for the period ended 31 December 2019

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investment in subsidiary

Management continually review the expected recoverable value of the Company's investment in its subsidiary. Where indicators of impairment exist such as poor financial performance or adverse cashflows, management consider if the investment in its subsidiary is recoverable or whether it has become impaired. In carrying out this assessment, management review all qualitative and quantitative financial information, including cashflow forecasts, trading forecast, and the five-year business plan.

4. Auditor's remuneration

The auditor of the Company is Grant Thornton UK LLP.

The auditor's remuneration of £8,000 was borne by Ubisense Limited, the Company's subsidiary undertaking.

5. Employees and directors

The company does not have any employees, and neither of the Directors received remuneration for the period ended 31 December 2019.

6. Finance income

	2019 £'000
Interest income from cash and cash equivalents	16
Total finance income	16

7. Taxation

	2019 £'000
Current tax	
UK corporation tax	-
Total income tax	-

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2019 £'000
Profit before tax	149
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19%	28
Tax effects of:	
Group relief	(28)
Total income tax	-

Notes to the Financial Statements

for the period ended 31 December 2019

8. Investments in subsidiary companies

	2019 £'000
On date of incorporation	
Acquisition of shareholding and associated costs	29,487
At 31 December 2019	29,487

On 31 December 2018, the Company acquired 100% of the ordinary share capital of Ubisense Limited for an acquisition price of £29.472m including direct costs.

Ubisense Limited is incorporated in the UK and its registered office is St Andrew's House, St Andrew's Road, Chesterton, Cambridge, CB4 1DL. Ubisense Limited provide real time location system solutions.

Management have considered the recoverable value of the investment in Ubisense Limited in light of its financial performance and position at the period end date. In carrying out its review, Company management reviewed cashflow forecasts, trading projections and the 5-year business plan and determined that no impairment was required.

9. Cash and cash equivalents

	2019 £'000
Cash and cash equivalents	1,799

10. Trade and other receivables

	2019 £'000
Amounts due from group undertakings	4,778
Unpaid share capital	2,000
Total	6,778

Interest is charged on amounts due from group undertakings at 4% over Libor. The sums advanced have no fixed settlement date but are not expected to be repaid in the next financial year

11. Financial instruments

	2019 £'000
Financial assets	
Financial assets measured at amortised cost	8,577
Total financial assets	8,577

Financial assets that are debt instruments measured at amortised cost comprise cash and cash equivalents and amounts owed by group undertakings.

Notes to the Financial Statements

for the period ended 31 December 2019

12. Commitments and contingencies

The Company does not have any commitments or contingencies at the period end.

13. Share Capital

	No.	Nominal value (£)	2019
Allotted share capital			
Ordinary shares issued on incorporation	1	1.00	1
Issued on 31 December 2018	35,900,000	0.01	359,000
Issued on 30 May 2019	999,900	0.01	9,999
Subdivision of share issued on incorporation	(1)	1.00	(1)
Subdivision of share issued on incorporation	100	0.01	1
Issued on 2 September 2019	1,000,000	0.01	10,000
Total	37,900,000	0.01	379,000

	No.	Nominal value (£)	2019 £'000
Allotted, called up and fully paid			
Ordinary shares	35,900,100	0.01	359
Allotted, called up and unpaid			
Ordinary shares	1,999,900	0.01	20

On date of incorporation, the Company allotted 1 ordinary share at a nominal value of £1.

On 31 December 2018, the Company allotted 35,900,000 ordinary shares at a nominal value of £0.01.

The company allotted a further 999,900 ordinary shares on 30 May 2019 and an additional 1,000,000 ordinary shares on 2 September 2019, however it was later determined that these allotments were the result of a filing error and the Company redeemed a total of 1,999,900 shares after the period end. These shares were unpaid as at the period end.

All shares rank equally for voting purposes.

14. Reserves

Share premium account

Includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Retained earnings

Includes all current and prior period retained profits and losses.

15. Related party transactions

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group.

There are no other related party transactions.

Notes to the Financial Statements

for the period ended 31 December 2019

16. Controlling party

At 31 December 2019, the Company's immediate parent company was Abyssinian Midco Limited, a private limited company incorporated in England.

The group to consolidate these financial statements is Abyssinian Topco Limited. Copies of the Abyssinian Topco Limited consolidated financial statements can be obtained from the Company Secretary at Investcorp House 48 Grosvenor Street, Mayfair, London, United Kingdom, W1K 3HW.

The Company's ultimate parent company is Investcorp Bank B.S.C, a public limited company incorporated in the Kingdom of Bahrain and listed on the Bahrain Stock Exchange.

Investcorp Bank B.S.C is 50% owned and controlled by SIPCO Limited which is 100% owned by SIPCO Holdings Limited. SIPCO Holdings Limited is owned by a number of private shareholders, none of whom own more than 25% of the issued share capital. Accordingly there is no ultimate controlling party.

17. Post balance sheet events

Since 31 December 2019, the consequences of the COVID-19 outbreak have adversely disrupted the operations of the Company's subsidiary undertaking, generating uncertainty over the recoverability of the Company's investment in its subsidiary. The Company and its subsidiary undertaking are taking appropriate action to monitor, address and mitigate these uncertainties and increased risks and as a result there is currently no indication the investment is impaired.