

Company registration number 12682651 (England and Wales)

ALPHABET BIDCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

ALPHABET BIDCO LIMITED

COMPANY INFORMATION

Directors	J F Carson R S Iles-Caine C E C Morris M R Quartermaine T A Bownes D M Critchley M Stewart	 (Appointed 26 May 2022) (Appointed 1 April 2022) (Appointed 1 April 2022)
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Company number	12682651
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Registered office	Phoenix House Smeaton Close Rabans Lane Aylesbury Buckinghamshire HP19 8UW
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Auditor	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL
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ALPHABET BIDCO LIMITED

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ALPHABET BIDCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Principal Activities

Alphabet Bidco Limited was incorporated in June 2020 and therefore the comparatives are for the 9 month period to 31 March 2021. In the prior year on 23 February 2021 Alphabet Bidco Limited acquired Red Helix Limited and therefore the comparatives are not comparable. Red Helix Limited is the trading subsidiary within the group and therefore the following business review is in respect of Red Helix Limited for the year ended 31 March 2022:

The Red Helix strategy is to provide clarity, confidence and certainty along our customers digital, cybersecurity and network journey. Our mission is to keep businesses constantly resilient and protected. This enables them to remain focused on their business and meet growing customer needs in a competitive and evolving landscape. We continue to invest in and develop leading edge cyber security and security operations to support Government institutions, Service Providers and Enterprise customers.

The group has invested in a complete brand refresh and company name change, with its trading subsidiary Phoenix Datacom changing to Red Helix. The rebrand was completed in July 2022 and coincides with the introduction of a suite of new managed service products. These are a blend of cybersecurity products and managed services, backed by best-in-class professional expertise to enable organisations to better understand, manage and mitigate their cyber security risks. We continue to expand our range of cyber security services providing comprehensive solutions that help protect customer reputation and data in the current heightened security threat environment. Red Helix also helps its customers to manage and monitor the performance and availability of their networks and applications across their physical, hybrid and cloud network environments, maximising both uptime and resilience.

Business Review

Revenue of £21,726k for the year ending 31st March 2022 shows a 22% increase on the previous year. Adjusted EBITDA was £2,085k and shows a 34% increase on the previous year. Annualised recurring revenue was £7,398k for the year ended 31 March 2022, an 8% increase on the previous year.

Key Performance Indicators - relating to trading subsidiary Red Helix Limited for year ending 31 March

	2022	2021	2020	2019
Total Revenue (£'000's)	£21,726	£17,759	£20,713	£20,840
Adjusted EBITDA (£'000's)	£2,085	£1,552	£1,873	£1,514
Cash generated from operations (£'000's)	£2,820	£2,584	£2,068	£903

Note 1: Adjusted EBITDA reflects the underlying profitability and is defined as Earnings Before Interest, Tax, Depreciation and Amortisation excluding holding company costs, intercompany management charges and exceptional items.

We continued throughout the year to invest in improved business operational tools and systems to provide a platform for both organic growth and potential acquisitions.

Principal risks and uncertainties

The group's business does not expose itself to any risks other than those associated with normal commercial trading. The list below does not contain all risks that the group faces and it does not list the risks in any order of priority.

Competition

The market is highly competitive. The group only invests in products with a competitive value proposition and services which offer integrated security and network solutions. We have also made significant investment to develop internal platforms which focus on seamless delivery of managed services to customers. With our heritage of technical excellence, the group believes it can maintain its competitive edge in this market.

ALPHABET BIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

IT and Data Security

The group's ability to service its customers is heavily dependent upon the group's IT systems. The group has appropriate controls in place to mitigate the risk of systems failure including backup procedures, disaster recovery plans, software protection for malware and viruses and appropriate network security controls to prevent unauthorised access to systems and data. We have further invested in developing our cloud solutions to create further resilience in our systems. The group has ISO27001 and ISO9001 accreditations.

Liquidity Risk

The group maintains sufficient cash for ongoing operations and future developments. The business is cash generative and has an undrawn bank facility of £2m at the date of this report.

Credit Risk

The group's credit risk is primarily attributable to its trade receivables. The group has implemented policies that require appropriate credit checks on potential customers before sales are made. For products we offer credit accounts with appropriate limits in place with most accounts on 30 days, as there is a short cycle from receipt of product to delivery to our customer we have usually collected the cash from the customer in time to pass directly to the supplier. Support and subscription services are paid in advance - as they are for essential network or cyber security services the risk of non-payment is significantly reduced.

Covid-19 Risk

COVID-19 represents a lower risk to the business this year. The business has successfully transitioned to a hybrid working model with the ability to deliver all its products and services remotely with the investment made in the IT systems. However we remain alert to any new developments that may result in business or supply chain interruptions. Our customers have made a similar transition

Supply Chain Risk

We have seen the supply base increasing their lead times for product delivery this year. This is a result of the ongoing semi-conductor shortage and also the impact of the war in Ukraine and Covid shutdowns in the Far East manufacturing facilities of equipment. We continue to work closely with our customers and suppliers to mitigate and overcome supply issues.

Future Outlook

The directors are confident that the market for their services is growing and, therefore, represents further growth opportunities for the business. One of the key drivers of this growth is the heightened risk of cyber security incidents affecting UK businesses. The UK mid-market is largely unprotected from the increasing cyber risk and often, even where they do have some protection, it is not deployed widely or operated effectively to combat such risks. In response to the increasing cyber risk landscape, the UK government is evolving both the guidance to businesses and the regulatory requirements related to specific sectors over the next 12 months and beyond. This will compel UK companies to take more proactive action with regard to their cyber security posture. Finally, the on-going war in Ukraine and the resultant political climate between the East and West is also driving greater than ever demand for security in specific sectors and government departments.

Network visibility and ability to inspect what traffic is on their network is critical for these organisations. This will continue to drive demand for more products and services in this area. The trend is likely to continue for many years, as distrust between states continues.

The directors are confident the addition of the new managed services will address the cyber security risks by providing an integrated set of cyber security protection and network visibility services. These are services which our clients can consume in a way that best protects their most important assets and greatly reduces their risk of cyber incidents.

Given the shortage of experienced cyber security skills in the UK, and the fact that many organisations are still undertaking their own digital transformation journeys, organisations will happily work with a managed service provider to consume these as a service offering. The depth of expertise within the group in legal intercept technologies and network traffic capture and visibility, as well as encryption services, supports the growth of this area within our portfolio.

ALPHABET BIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

On behalf of the board

J F Carson
Director

29 September 2022

ALPHABET BIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

Principal activities

The Group provides an excellent range of specialist products, managed and professional services for Cybersecurity, Network visibility, resilience and performance monitoring.

Results and dividends

The results for the year are set out on page 10.

No interim dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J F Carson	
L G Dean	(Resigned 1 April 2022)
R S Iles-Caine	
C E C Morris	
M R Quartermaine	
T A Bownes	(Appointed 26 May 2022)
D M Critchley	(Appointed 1 April 2022)
M Stewart	(Appointed 1 April 2022)
C M Coulton	(Appointed 1 April 2022 and resigned 26 May 2022)

Post reporting date events

There have been no significant events affecting the Group since the year end.

Future developments

The group is looking at acquisition or investment opportunities to continue to grow the business.

Auditor

In accordance with the company's articles, a resolution proposing that Crowe U.K. LLP be reappointed as auditor of the group will be put at a General Meeting.

ALPHABET BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of directors' responsibilities

The directors are responsible 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

J F Carson

Director

29 September 2022

ALPHABET BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALPHABET BIDCO LIMITED

Opinion

We have audited the financial statements of Alphabet Bidco Limited (the 'Company') and its subsidiaries ('the Group') for the year ended 31 March 2022 which comprise the Group statement of comprehensive income, the Group statement of financial position, the Company statement of financial position, the Group statement of changes in equity, the Company statement of changes in equity, the Group statement of cash flows, and notes to the Group and Company financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group and company financial statements 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 Group's and of the company's affairs as at 31 March 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and the
- 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 Group 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included obtaining the forecast model, covering the period to 31 March 2025, prepared by the Directors and verifying to underlying supporting documentation such as management accounts and bank statements. We have evaluated the Directors' historical forecasting accuracy by comparing actuals to budgets. We have verified the mathematical accuracy of the forecasts. We have evaluated possible downside scenarios on the forecast model. We have considered the evidence obtained as part of our testing of other areas and determined it is consistent with the forecast model and cash outflows included in the cash flow model.

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 Group and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group to be £325,000, based on 1.5% of revenue whilst we determined overall materiality for the Company to be £190,000 based on 1% of total assets.

ALPHABET BIDCO LIMITED

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

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality to be £260,000 for the Group and £152,000 for the Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £15,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

We performed a full scope audit of Alphabet Bidco Limited. All audit procedures were performed in one location.

Key Audit Matters

We set out below, together with going concern above, our key audit matters:

Key audit matter	How our scope addressed the key audit matter
<p>Valuation of investments</p> <p>As described in note 14, the Company has an investment in a subsidiary carried at a cost of £18,475,017. The Directors considered the carrying value of the investment in the Company's accounts compared to the net assets of the subsidiary to be an indicator of impairment. An impairment review was undertaken and no impairment was recognised. The impairment review was based on a discounted cash flow forecast model.</p>	<p>We have reviewed the Directors' assessment of whether any impairment indicators existed as at the year ended 31 March 2022. We compared the carrying value of the investment to the net assets of the subsidiary as at 31 March 2022 and concluded on whether we agreed an impairment indicator existed. We obtained the discounted cash flow forecast model and tested the mathematical integrity and evaluated the reasonableness of the key assumptions. We agreed the Board approved forecasts and performed a sensitivity analysis to assess whether a downside change in the key assumptions could give rise to a material impairment. We assessed the forecasting accuracy by comparing forecasts to actual results for the year ended 31 March 2022. We concluded we agreed with the Directors' assessment that no impairment existed as at 31 March 2022.</p>
<p>Carrying value of goodwill</p> <p>As described in note 12 the Group has carrying value of goodwill of £10,461,519 as at 31 March 2022. The Directors considered the current financial position of the Group to be an indicator of impairment. An impairment review was undertaken and no impairment was recognised. The impairment review was based on a discounted cash flow forecast model.</p>	<p>The business activity of the Group is based on one income generating unit within the wholly owned subsidiary. Therefore, the impairment review of the goodwill was based on the forecasts adjusted to the assets of the income generating unit. The procedures performed were the same as those set out in the 'Valuation of investments' key audit matter. Based on the procedures performed we noted no material issue from our work.</p>

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

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.

ALPHABET BIDCO LIMITED

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' remuneration report to be audited 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 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 Group's and 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

ALPHABET BIDCO LIMITED

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

We obtained an understanding of the legal and regulatory frameworks within which the Group and company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and UK taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to management override risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and assessing the treatment of non-routine transactions. Our audit procedures to respond to revenue recognition risks included sample testing revenue across the period and deferred revenue as at period end to agree to supporting documentation, and reviewing revenue received either side of the period end to ensure this has been recognised correctly.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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.

Other matters which we are required to address

We were appointed by the audit committee on 18 June 2021 to audit the financial statements for the period ending 2021 and subsequent financial periods. Our total uninterrupted period of engagement is 2 years, covering the period ending 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or company and we remain independent of the Group and company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

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.

Christine Dobson
Senior Statutory Auditor
For and on behalf of Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL
29 September 2022

ALPHABET BIDCO LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

		12 months ended 31 March 2022 £	9 months ended 31 March 2021 £
	Notes		
Turnover	3	21,725,669	1,688,149
Cost of sales		(15,621,935)	(1,195,234)
Gross profit		6,103,734	492,915
Administrative expenses		(5,876,979)	(736,520)
Other operating income	4	38,756	15,309
Operating profit/(loss)	6	265,511	(228,296)
Interest receivable and similar income	5	-	144
Interest payable and similar expenses	8	(1,411,544)	(138,794)
Loss before taxation		(1,146,033)	(366,946)
Tax on loss	11	(198,338)	(35,597)
Loss and total comprehensive income for the financial year		(1,344,371)	(402,543)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

ALPHABET BIDCO LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		10,461,519		11,636,427
Other intangible assets	12		89,802		14,354
Total intangible assets			10,551,321		11,650,781
Tangible assets	13		216,035		161,551
			10,767,356		11,812,332
Current assets					
Stocks	16	104,841		69,117	
Debtors falling due after more than one year	18	1,464,458		942,900	
Debtors falling due within one year	18	7,710,654		6,640,050	
Cash at bank and in hand		4,809,819		5,026,525	
			14,089,772		12,678,592
Creditors: amounts falling due within one year	19	(12,095,222)		(9,889,346)	
Net current assets			1,994,550		2,789,246
Total assets less current liabilities			12,761,906		14,601,578
Creditors: amounts falling due after more than one year	20		(14,207,435)		(14,702,736)
Provisions for liabilities					
Deferred tax liability	22	28,569		28,569	
			(28,569)		(28,569)
Net liabilities			(1,474,098)		(129,727)
Capital and reserves					
Called up share capital	23		18,005		18,005
Share premium account			254,811		254,811
Profit and loss reserves			(1,746,914)		(402,543)
Total equity			(1,474,098)		(129,727)

The financial statements were approved by the board of directors and authorised for issue on 29 September 2022 and are signed on its behalf by:

J F Carson
Director

ALPHABET BIDCO LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	14	18,475,017		18,475,017	
Current assets					
Debtors	18	46,136		88,409	
Cash at bank and in hand		53,176		1,140,227	
		<u>99,312</u>		<u>1,228,636</u>	
Creditors: amounts falling due within one year	19	<u>(1,398,083)</u>		<u>(1,507,889)</u>	
Net current liabilities			<u>(1,298,771)</u>		<u>(279,253)</u>
Total assets less current liabilities			17,176,246		18,195,764
Creditors: amounts falling due after more than one year	20		<u>(12,020,377)</u>		<u>(12,816,450)</u>
Net assets			<u>5,155,869</u>		<u>5,379,314</u>
Capital and reserves					
Called up share capital	23	18,005		18,005	
Share premium account		254,811		254,811	
Profit and loss reserves		4,883,053		5,106,498	
Total equity			<u>5,155,869</u>		<u>5,379,314</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the period was £223,445 (2021 - £5,106,498 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 September 2022 and are signed on its behalf by:

J F Carson
Director

Company Registration No. 12682651

ALPHABET BIDCO LIMITED

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

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 19 June 2020		-	-	-	-
Period ended 31 March 2021:					
Loss and total comprehensive income for the period		-	-	(402,543)	(402,543)
Issue of share capital	23	18,005	254,811	-	272,816
Balance at 31 March 2021		18,005	254,811	(402,543)	(129,727)
Year ended 31 March 2022:					
Loss and total comprehensive income for the year		-	-	(1,344,371)	(1,344,371)
Balance at 31 March 2022		18,005	254,811	(1,746,914)	(1,474,098)

Share premium accounts

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

Profit and loss reserves

Profit and loss reserves include all cumulative retained profit and losses.

ALPHABET BIDCO LIMITED

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

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 19 June 2020		-	-	-	-
Period ended 31 March 2021:					
Profit and total comprehensive income for the period		-	-	5,106,498	5,106,498
Issue of share capital	23	18,005	254,811	-	272,816
Balance at 31 March 2021		18,005	254,811	5,106,498	5,379,314
Year ended 31 March 2022:					
Loss and total comprehensive income for the year		-	-	(223,445)	(223,445)
Balance at 31 March 2022		18,005	254,811	4,883,053	5,155,869

Share premium accounts

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

Profit and loss reserves

Profit and loss account include all cumulative retained profit and losses.

ALPHABET BIDCO LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	29	2,618,734		853,084	
Interest paid		(1,432,180)		7,266	
Income taxes (paid)/refunded		(274,306)		12,422	
Net cash inflow from operating activities		<u>912,248</u>		<u>872,772</u>	
Investing activities					
Business acquisition		-	(8,022,930)		
Purchase of intangible assets		(100,598)	(19,139)		
Purchase of tangible fixed assets		(160,579)	(117,879)		
Interest received		-	144		
Net cash used in investing activities		<u>(261,177)</u>		<u>(8,159,804)</u>	
Financing activities					
Proceeds from issue of shares		-	209,142		
Proceeds from borrowings		-	12,104,415		
Repayment of borrowings		(867,777)	-		
Net cash (used in)/generated from financing activities		<u>(867,777)</u>		<u>12,313,557</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(216,706)</u>		<u>5,026,525</u>	
Cash and cash equivalents at beginning of year		5,026,525		-	
Cash and cash equivalents at end of year		<u><u>4,809,819</u></u>		<u><u>5,026,525</u></u>	

ALPHABET BIDCO LIMITED

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

1 Accounting policies

Company information

Alphabet Bidco Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Phoenix House, Smeaton Close, Rabans Lane, Aylesbury, Buckinghamshire, HP19 8UW.

Alphabet Bidco Limited was incorporated on 19th June 2020 and therefore the comparatives are for the 9 month period ended 31 March 2021 and the comparatives are not entirely comparable.

The group consists of Alphabet Bidco Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £.

The company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the group statement of cash flows, included in these financial statements, includes the company's cash flows.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a group is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the group. The excess of the cost of a group over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Investments in subsidiaries are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a group accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Alphabet Bidco Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group policies.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.4 Going concern

The financial statements have been prepared on the going concern basis which assumes that the group and company will continue in operational existence for period of at least 12 months following the approval of these financial statements.

The directors have prepared detailed forecasts for a period of at least 12 months from the date of approval of the financial statements and has adequate resources to continue in operational existence for the foreseeable future. While there are challenges in the economic outlook and also with supply chains reliant on semi-conductors demand remains buoyant for the equipment the group provides. The recent conflicts have highlighted the increased need for cyber security services and we have seen an increased interest in these services. The directors consider the company and wider group to be able to withstand potential impacts on operations with the reserves of the group and the available financial headroom. As such, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefit will flow to the group and its revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. The following criteria must also be met before revenue is recognised:-

Sales of goods

Revenue from the sales of product is recognised at the point of delivery to the customer.

Rendering of services

Revenue from support and subscription services is recognised on a straight line basis over the period of the contract for the service.

Revenue from professional services is recognised in the month in which the service is provided.

Investment income

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised using the effective interest rate method.

1.6 Research and development expenditure

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, Intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred. Development costs that are capitalised in accordance with the requirements of FRS 102 are not treated, for dividend purposes, as a realised loss.

All intangible assets are considered to have a finite life. If a reliable estimate of the useful life can not be made, the useful life shall not exceed ten years.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	4 years
Website	4 years

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	25% straight line
Fixtures and fittings	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, of if there is an indication of a significant change since the last reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in profit or loss.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.10 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date where there is an indication of impairment and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

Short term benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.17 Retirement benefits

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The Assets of the plan are held separately from the company in independently administered funds.

1.18 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the "Black-Scholes" model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Benefit received and receivable as an incentive to sign an operating lease are recognised on straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

The useful economic life and amortisation of goodwill

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar business.

Impairment of intangible assets and goodwill

Where an indication of impairment is identified the estimation of recoverable value requires an estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Impairment of investments

Investments held are subject to impairment review where an indication of impairment is identified. The group's management undertakes an impairment review annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Turnover analysed by class of business		
Products	13,786,241	978,221
Services	7,939,428	709,928
	<u>21,725,669</u>	<u>1,688,149</u>

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Turnover and other revenue	(Continued)	
	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Turnover analysed by geographical market		
United Kingdom	20,825,964	1,621,375
Rest of Europe	126,178	40,977
Rest of the World	773,527	25,797
	<u>21,725,669</u>	<u>1,688,149</u>
4 Other operating income	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Other operating income		
Commissions (paid)/received	4,428	(6)
Fair value (loss)/gained on forward exchange contracts	34,328	15,315
	<u>38,756</u>	<u>15,309</u>
5 Interest receivable and similar income	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Interest income		
Interest on bank deposits	-	144
6 Operating profit/(loss)	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Operating profit/(loss) for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	19,145	20,189
Depreciation of owned tangible fixed assets	106,095	35,040
Amortisation of intangible assets	1,200,058	117,448
Operating lease charges	183,876	17,118

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Auditor's remuneration

	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	9,785	9,500
Audit of the financial statements of the company's subsidiaries	27,815	27,000
	<u>37,600</u>	<u>36,500</u>

8 Interest payable and similar expenses

	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	25	-
Interest on invoice finance arrangements	22,080	-
Interest on loan notes	1,389,439	138,794
	<u>1,411,544</u>	<u>138,794</u>

9 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Director	2	5	1	5
Other executive	4	-	2	-
Administration	7	6	-	-
Sales	29	29	-	-
	<u>42</u>	<u>40</u>	<u>3</u>	<u>5</u>

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	2,812,121	238,021	94,800	13,333
Social security costs	339,398	35,552	5,680	573
Pension costs	116,405	10,284	-	-
	<u>3,267,924</u>	<u>283,857</u>	<u>100,480</u>	<u>13,906</u>

10 Directors' remuneration

	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Remuneration for qualifying services	328,029	41,003
Company pension contributions to defined contribution schemes	8,896	219
	<u>336,925</u>	<u>41,222</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Remuneration for qualifying services	<u>187,283</u>	<u>18,951</u>

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Taxation

	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Current tax		
UK corporation tax on losses in this period	198,338	23,211
Deferred tax		
Origination and reversal of timing differences	-	12,386
Total tax charge	198,338	35,597

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Loss before taxation	(1,146,033)	(366,946)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(217,746)	(69,720)
Tax effect of expenses that are not deductible in determining taxable profit	188,010	56,194
Permanent capital allowances in excess of depreciation	4,842	4,901
Amortisation on assets not qualifying for tax allowances	223,232	21,406
Other permanent differences	-	10,430
Deferred tax	-	12,386
Taxation charge	198,338	35,597

The group has no tax losses available for carry forward against future trading profits. Therefore, no deferred tax asset has been recognised at the year end.

The current corporation tax rate of 19% generally applies to all companies whatever their size. From 1 April 2023, this rate will cease to apply and will be replaced by variable rates ranging from 19% to 25%.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Intangible fixed assets

Group	Goodwill £	Software £	Website £	Total £
Cost				
At 1 April 2021	11,749,090	-	19,139	11,768,229
Additions	-	79,348	21,250	100,598
At 31 March 2022	11,749,090	79,348	40,389	11,868,827
Amortisation and impairment				
At 1 April 2021	112,663	-	4,785	117,448
Amortisation charged for the year	1,174,908	19,837	5,313	1,200,058
At 31 March 2022	1,287,571	19,837	10,098	1,317,506
Carrying amount				
At 31 March 2022	10,461,519	59,511	30,291	10,551,321
At 31 March 2021	11,636,427	-	14,354	11,650,781

The company had no intangible fixed assets at 31 March 2022 or 31 March 2021.

13 Tangible fixed assets

Group	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	608	195,983	196,591
Additions	50,831	109,748	160,579
At 31 March 2022	51,439	305,731	357,170
Depreciation and impairment			
At 1 April 2021	349	34,691	35,040
Depreciation charged in the year	12,708	93,387	106,095
At 31 March 2022	13,057	128,078	141,135
Carrying amount			
At 31 March 2022	38,382	177,653	216,035
At 31 March 2021	259	161,292	161,551

The company had no tangible fixed assets at 31 March 2022 or 31 March 2021.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	18,475,017	18,475,017

Movements in fixed asset investments Company

Cost or valuation

At 1 April 2021 and 31 March 2022	18,475,017
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Carrying amount

At 31 March 2022	18,475,017
At 31 March 2021	18,475,017

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct Indirect	
Phoenix Datacom Group Limited	1	Holding company	Ordinary	100.00	-
Red Helix Limited previously known as Phoenix Datacom Limited	1	Network Visibility, Network and Application Performance Tools and Integrated Cyber Security solutions	Ordinary	0	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Phoenix House, Smeaton Close, Rabans Lane, Aylesbury, Buckinghamshire HP19 8UW

16 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	104,841	69,117	-	-

Stocks are stated after impairment of £41,558 (2021: £30,284).

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17 Financial instruments

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Carrying amount of financial assets				
Measured at amortised cost	4,364,197	2,938,026	2	2
Instruments measured at fair value through profit or loss	68,686	-	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	25,090,146	23,811,448	13,244,468	14,322,294

18 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	4,295,509	2,938,024	-	-
Other debtors	114,822	88,409	46,136	88,409
Prepayments and accrued income	3,300,323	3,613,617	-	-
	7,710,654	6,640,050	46,136	88,409
Amounts falling due after more than one year:				
Prepayments and accrued income	1,464,458	942,900	-	-
Total debtors	9,175,112	7,582,950	46,136	88,409

19 Creditors: amounts falling due within one year

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Loan notes	21	796,072	796,072	796,072	796,072
Trade creditors		3,798,936	2,582,950	6,151	241,223
Amounts owed to group undertakings		-	-	330,606	-
Corporation tax payable		96,475	134,454	157,239	-
Other taxation and social security		1,116,036	646,180	16,753	2,045
Other creditors		76,630	158,712	69,300	142,322
Accruals and deferred income		6,211,073	5,570,978	21,962	326,227
		12,095,222	9,889,346	1,398,083	1,507,889

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Loan notes	21	12,020,377	12,816,450	12,020,377	12,816,450
Accruals and deferred income		2,187,058	1,886,286	-	-
		<u>14,207,435</u>	<u>14,702,736</u>	<u>12,020,377</u>	<u>12,816,450</u>

21 Loans and overdrafts

		Group 2022 £	2021 £	Company 2022 £	2021 £
Loans notes		13,239,408	14,107,185	13,239,408	14,107,185
Arrangement fees		(422,959)	(494,663)	(422,959)	(494,663)
		<u>12,816,449</u>	<u>13,612,522</u>	<u>12,816,449</u>	<u>13,612,522</u>
Payable					
Less than one year		796,072	796,072	796,072	796,072
One to five years		2,316,513	3,184,290	2,316,513	3,184,290
After five years		9,703,864	9,632,160	9,703,864	9,632,160
		<u>12,816,449</u>	<u>13,612,522</u>	<u>12,816,449</u>	<u>13,612,522</u>

Included in the loan notes is an amount of £3,471,106 (2021: £4,338,883) which is repayable by two annual instalments each year totalling £867,777 per annum commencing September 2021 until March 2026 and carries fixed interest at 10%. Interest is due quarterly in arrears commencing 30 September 2021.

Included in the loan notes is an amount of £9,718,302 (2021: £9,718,302) which is payable on 22 February 2028 and carries fixed interest at 10%. Interest is due quarterly in arrears commencing 30 September 2021.

Included in the loan notes is an amount of £50,000 which is payable on 22 February 2028 and carries fixed interest at 3%. Interest is due quarterly in arrears commencing 30 September 2021.

Included in the loan notes is an amount of £6,594,706 (2021: £7,028,595) which is secured and the remaining balance of £6,644,702 (2021: £7,078,590) is unsecured.

Loan notes that are secured contain fixed and floating charges. Floating charge covers all the property or undertaking of the company.

The group also has access to a Revolving Credit Facility of £2m. As at year end the drawn down balance was £nil. The bank has a fixed charge to secure the bank revolving credit facility.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	28,569	28,569

The company has no deferred tax assets or liabilities.

There were no deferred tax movements in the year.

The deferred tax liability set out above is expected to reverse within 1-3 years and relates to accelerated capital allowances that are expected to mature within the same period.

23 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
A Ordinary shares of 1p each	644,025	644,025	6,440	6,440
B1 Ordinary shares of 5p each	136,995	136,995	6,850	6,850
B3 Ordinary shares of 1p each	4,000	4,000	40	40
C Ordinary shares of 5p each	93,500	93,500	4,675	4,675
	<u>878,520</u>	<u>878,520</u>	<u>18,005</u>	<u>18,005</u>

All shares in the capital of the company shall rank pari passu save as provided below:

Voting Rights

All of the shares have attached to them full voting rights provided that for so long as a Lloyds Development Capital ("LDC") shareholder or any other LDC entity is the legal and/or beneficial owner of shares, such shares so held by all LDC shareholders and all LDC entities (whether legally or beneficially) shall not confer more than 49.9% of the total voting rights of all shares at any time.

Dividend

The A and B Ordinary shares have attached to them full dividend rights. In circumstances in which an exit has not been achieved by the 23 February 2026, the A Ordinary shareholders and the B Ordinary shareholders (together as if they constituted one class of share) shall be entitled, in priority to any payment by way of dividend to the holders of any other shares, to a cumulative cash participating dividend (exclusive of any associated tax credit) of an amount equal to 15% of the net profit for each accounting period (or part thereof) falling after such date ("participating dividend"). The C Ordinary shares have attached to them full dividend rights (other than any participating dividends).

Capital Redemption

None of the shares confer any rights of redemption.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

23 Share capital

(Continued)

Capital distribution

Capital distribution (including on winding up) rights equal to

- all arrears and accruals of the participating dividend to be paid in the strip proportions and
- amounts credited as paid up on all the A shares and B shares to be paid in strip proportions. To be paid prior to any other class of shares on liquidation of assets or return of capital. Any balance of such surplus assets and retained profits to be paid in the equity proportions.

24 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	116,405	10,284

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £7,329 (2021: £6,717) were payable to the fund at the year end and are included in other creditors.

25 Share-based payment transactions

The company has introduced an HMRC approved Enterprise Management Incentive Plan ("EMI Plan") for certain employees of Alphabet Bidco Limited group "group". In accordance with the provisions of the scheme, employees may be granted options to purchase ordinary C shares and must be exercised within 10 years from the date of grant. The EMI options granted are personal to the option holder and are not transferable, assignable or chargeable. Vesting conditions of the options dictate that the employees must remain in the employment of the company for the whole vesting period or a good leaver status and on the occurrence of an exit event that the board of directors considers justifies the EMI Option(s) becoming exercisable to qualify, and all the options are equity settled.

Movement in issued share options during the year

Group and company	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 April 2021	-	-	-	-
Granted	90,000	-	0.69	-
Outstanding at 31 March 2022	90,000	-	0.69	-
Exercisable at 31 March 2022	90,000	-	0.69	-

The options outstanding at 31 March 2022 had an exercise price ranging from £0.331 to £1.00, and a remaining contractual life of 10 years. The vesting period is to 31 March 2026.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

25 Share-based payment transactions (Continued)

Group and company

No share based payment charge is recognised in the Statement of comprehensive income since for the year ending 31 March 2022 the amount is trivial.

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	151,093	150,779	-	-
Between two and five years	545,531	512,054	-	-
In over five years	482,585	605,123	-	-
	<u>1,179,209</u>	<u>1,267,956</u>	<u>-</u>	<u>-</u>

27 Related party transactions

Remuneration of key management personnel

The only key management personnel are the directors, whose remuneration have been disclosed in note 8.

Transactions with related parties

	Interest on loan notes		Directors expense	
	2022 £	2021 £	2022 £	2021 £
Company				
Shareholders	1,207,235	121,791	-	-
Directors and management	181,230	17,003	2,938	-
	<u>1,388,465</u>	<u>138,794</u>	<u>2,938</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due to related parties		
Company		
Shareholders	11,480,441	12,348,218
Directors and management	1,758,967	1,758,667
	<u>13,239,408</u>	<u>14,106,885</u>

Included in trade creditors at the year end, is an amount of £151 payable to a director.

Other information

The group and company are exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Alphabet Bidco Limited group.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

28 Controlling party

Alphabet Bidco Limited is owned by a number of shareholders and individually no shareholder can exert control.

29 Cash generated from group operations

	2022 £	2021 £
Loss for the year after tax	(1,344,371)	(402,543)
Adjustments for:		
Taxation charged	198,338	35,597
Finance costs	1,411,544	138,794
Investment income	-	(144)
Amortisation of intangible assets	1,200,058	117,448
Depreciation of tangible fixed assets	106,095	35,040
Movements in working capital:		
(Increase)/decrease in stocks	(35,724)	59,738
Increase in debtors	(1,592,162)	(187,316)
Increase in creditors	2,674,956	1,056,470
Cash generated from operations	2,618,734	853,084

30 Analysis of changes in net debt - group

	1 April 2021 £	Cash flows £	Other non-cash changes £	31 March 2022 £
Cash at bank and in hand	5,026,525	(216,706)	-	4,809,819
Borrowings excluding overdrafts	(13,612,522)	867,777	(71,704)	(12,816,449)
	<u>(8,585,997)</u>	<u>651,071</u>	<u>(71,704)</u>	<u>(8,006,630)</u>

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