

Company registration number 12682651 (England and Wales)

ALPHABET BIDCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

ALPHABET BIDCO LIMITED

COMPANY INFORMATION

Directors	C E C Morris M R Quartermaine T A Bownes M Stewart M J Hunter	(Appointed 26 May 2022) (Appointed 1 April 2022) (Appointed 22 March 2023)
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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 2023

The directors present the strategic report for the year ended 31 March 2023.

Principal Activities

Alphabet Bidco Limited acquired Red Helix Limited on 23rd February 2021. 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 2023.

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, enabling 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 Network Visibility, Cybersecurity and Security Operations to support Government institutions, Service Providers and Enterprise customers.

This year saw a successful rebrand to Red Helix and enhanced the suite of managed services. 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. We have onboarded industry leading new partners to support the managed service growth. 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 £22,633k for the year shows growth of 4% on the previous year performance whilst Orders received in the year at £24,880k were 6% ahead of the previous year. Longer delivery lead times meant that certain orders will be satisfied in the next financial year and this will particularly underpin the results in the first three quarters of the following accounting period. Overall, gross margin percentage increased by 2.8% over the prior year. Adjusted EBITDA was £1,573k and, whilst this shows a decrease on the previous year, it reflects a significant additional investment of over £1m per annum in systems, key hires and Marketing in the reporting period. The increased investment in Sales and Marketing focused on further utilisation of digital marketing following the recruitment of a specialist in this area. Similarly, investment in new administrative, operational and BI systems provided some immediate benefit, especially in the second half of the year. This will provide a strong platform for both organic and inorganic growth opportunities on which Red Helix expects to capitalise.

Annualised recurring revenue was £6,824k for the year ended 31 March 2023, a 7.7% reduction on the previous year. This was primarily due to a commercial decision to strategically exit some non-core services. This revenue stream has completely unwound in the year ended 31st March 2023. Gross margin on recurring revenue improved by 2.1% and is expected to grow further as further contracts annualise. The Directors anticipate the level of recurring revenue as a percentage of total revenue to increase in future periods as Red Helix continues to expand its managed services capability and service offering, especially in the provision of cyber security sector.

Red Helix formally launched its Managed Cyber Services offering in the second half of the year and generated over £4m TCV from new customers. The Directors believe that this revenue stream offers great opportunities for growth in future years.

Net working capital deployed increased through the year particularly reflecting timing differences arising from material payments due to suppliers at the beginning of the financial year in respect of customer invoice payments received by Red Helix at the end of the prior year.

This also contributed to the reduction in cash generated from Operations this year (net outflow of £(112)k), primarily due to the fore mentioned supplier payments, increased capital expenditure including necessary upgrade to our Aylesbury office, providing a better work environment for our employees, development of new product offerings together with a very strong finish to the financial year giving rise to the increased investment in working capital before the year end. The latter is expected to beneficially unwind at the beginning of the next accounting year. Whilst the investment has been considerable, the Directors believe that the business is well positioned for future growth.

ALPHABET BIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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

	2023	2022	2021	2020
Total Revenue (£'000's)	£22,633	£21,726	£17,759	£20,713
Adjusted EBITDA (£'000's)	£1,573	£2,085	£1,552	£1,873
Cash generated from operations (£'000's)	(£112)	£2,792	£2,584	£2,068

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.

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.

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 and adopted a cloud first strategy to create further resilience in our systems. Red Helix has ISO27001 and ISO9001 accreditations.

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.

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.

Supply Chain Risk

The semiconductor supply chain continues to face significant risks, and the prevailing consensus post COVID suggests that these risks are increasing rather than decreasing. As technology continues to evolve, the demand for semiconductors has soared across various industries, including consumer electronics, automotive, and telecommunications. However, supply chain vulnerabilities have become more apparent, geopolitical conflicts have led to trade restrictions and tariffs, disrupting the flow of critical components and raw materials. Additionally, natural disasters and the pandemic have exposed the fragility of the supply chain, causing production delays and shortages. The complex and interconnected nature of the semiconductor ecosystem makes it susceptible to disruption, heightening concerns about the sustainability of the supply chain in the face of escalating risks. We continue to work closely with our customers and suppliers to mitigate and overcome supply issues in the supply chain as they occur.

ALPHABET BIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Currency Risk

The volatility of foreign currency markets and the global nature of our business have made this risk a critical consideration for the group. Geopolitical uncertainties and changes in monetary policies have led to significant currency fluctuations over the past year. To mitigate this risk Red Helix uses hedging strategies and closely monitors the foreign exchange markets. The dynamic nature of these challenges requires constant vigilance and adaptability to safeguard against potential adverse currency movements.

Future Outlook

The directors are confident that the market for their cyber and network visibility products and services is growing and represents significant opportunities for the business.

The UK market is one of the largest and most mature in Europe, driven by increasing cyber threats, growing adoption of digital technologies, and a strong regulatory framework for data protection. This coupled with heightened awareness being driven through National Cyber Security Centre (NCSC), the government body with responsibility for driving security awareness across UK Plc.

Some key factors influencing the market's growth are:

- **Rising Cyber Threats:** The UK, like many other countries, faces a growing number of cyber threats, ranging from sophisticated cyber-attacks targeting critical infrastructure to ransomware attacks on businesses and individuals. This trend is pushing organizations and individuals to invest in cyber security solutions and services. 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. With the increasing frequency and sophistication of attacks, organizations in the UK are recognizing the importance of having comprehensive network visibility and cyber solutions to detect and respond to security incidents quickly.
- **Government Initiatives and Regulations:** The UK government had been actively promoting cyber security awareness and investing in initiatives to strengthen the nation's cyber resilience. Regulations such as the General Data Protection Regulation (GDPR) and the Telecoms Security Regulations and code of practice have prompted organisations to enhance their cyber security measures to protect sensitive data. Network visibility is playing a significant role in helping organisations comply with the regulations by ensuring the monitoring, security and privacy of data traversing the network.
- **Digital Transformation and IoT Adoption:** The ongoing digital transformation and the proliferation of Internet of Things (IoT) devices are expanding the attack surface and complexity of network infrastructures. This transformation crosses various industries, such as finance, healthcare, and manufacturing, makes network visibility crucial for identifying and mitigating potential vulnerabilities and ensuring the overall security of the connected ecosystem. As a result, organizations are focusing on securing their digital infrastructure leading to higher demand for network visibility and cyber solutions.
- **Cloud Security:** With the migration of IT infrastructures to the cloud, network visibility is crucial for maintaining visibility into both on-premises and cloud-based environments. This enables organizations to maintain security and performance across hybrid infrastructures. This has driven the demand for cloud visibility and security solutions.
- **Performance Monitoring:** Network visibility tools provided valuable data for IT teams to monitor and optimize network performance. Identifying bottlenecks and addressing issues promptly ensured smooth network operations.
- **Cyber Security Skills Gap:** The shortage of skilled cyber security professionals was a challenge for both businesses and the Government. This gap in expertise led to increased reliance on cyber security tools and managed security services. The depth of expertise within Red Helix in legal intercept technologies and network traffic capture and visibility, as well as encryption services, supports the growth of this area within our portfolio.

The directors are confident that the addition of the enhanced and new cyber security managed services and network visibility managed services will address the market's needs 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.

ALPHABET BIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board

M Stewart
Director

19 September 2023

ALPHABET BIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

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 12.

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	(Resigned 31 March 2023)
L G Dean	(Resigned 1 April 2022)
R S Iles-Caine	(Resigned 22 March 2023)
C E C Morris	
M R Quartermaine	
T A Bownes	(Appointed 26 May 2022)
D M Critchley	(Appointed 1 April 2022 and resigned 31 January 2023)
M Stewart	(Appointed 1 April 2022)
C M Coulton	(Appointed 1 April 2022 and resigned 26 May 2022)
M J Hunter	(Appointed 22 March 2023)

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 2023

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

M Stewart
Director

19 September 2023

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 2023 which comprise the Group statement of comprehensive income, the Group and Company statements of financial position, the Group and Company statements of changes in equity, the Group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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:

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2023 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
- 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 and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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 directors' 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's and parent 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 forecasts from prior years to the outturn. We have verified the mathematical accuracy of the forecasts and challenged management on the assumptions used in their preparation. 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 inflows and 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's or the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 financial statements as a whole to be £385,000 (2022: £325,000), based on 1.7% of turnover and we determined overall materiality for the company to be £190,000 (2022: £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 £288,750 (2022: £260,000) for the group and £142,500 (2022: £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 £16,000 (2022: £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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these 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

Valuation of investments

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. This is considered a significant risk due to the judgement required in assessing the investments for indicators of impairment.

We have reviewed the Directors' assessment of whether any impairment indicators existed as at the year ended 31 March 2023. We compared the carrying value of the investment to the net assets of the subsidiary as at 31 March 2023 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 2023. We concluded we agreed with the Directors' assessment that no impairment existed as at 31 March 2023.

Carrying value of goodwill

As described in note 12 the Group has carrying value of goodwill of £9,286,610 as at 31 March 2023. 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. This is considered a significant risk due to the judgement required in assessing the goodwill for indicators of impairment.

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.

ALPHABET BIDCO LIMITED

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

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.

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 directors' report and strategic 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 the parent company and their 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

ALPHABET BIDCO LIMITED

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 group or the parent 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:

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 year-end to agree to supporting documentation, and reviewing revenue received either side of the year-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.

ALPHABET BIDCO LIMITED

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

Use of our report

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

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

20 September 2023

ALPHABET BIDCO LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	22,632,829	21,725,669
Cost of sales		(16,237,076)	(15,621,935)
Gross profit		<u>6,395,753</u>	<u>6,103,734</u>
Administrative expenses		(7,065,798)	(5,876,979)
Other operating income	4	111,269	38,756
Operating (loss)/profit	6	<u>(558,776)</u>	<u>265,511</u>
Interest receivable and similar income	5	129	-
Interest payable and similar expenses	8	(1,393,061)	(1,411,544)
Loss before taxation		<u>(1,951,708)</u>	<u>(1,146,033)</u>
Tax on loss	11	(29,101)	(198,338)
Loss for the financial year		<u>(1,980,809)</u>	<u>(1,344,371)</u>
Other comprehensive income			
Cash flow hedges loss arising in the year		(289,808)	-
Total comprehensive expense for the year		<u><u>(2,270,617)</u></u>	<u><u>(1,344,371)</u></u>

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

Total comprehensive expense 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 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		9,286,610		10,461,519
Other intangible assets	12		216,004		89,802
Total intangible assets			9,502,614		10,551,321
Tangible assets	13		269,377		216,035
			9,771,991		10,767,356
Current assets					
Stocks	16	113,846		104,841	
Debtors falling due after more than one year	18	1,794,936		1,464,458	
Debtors falling due within one year	18	8,766,673		7,710,654	
Cash at bank and in hand		4,100,402		4,809,819	
			14,775,857		14,089,772
Creditors: amounts falling due within one year	19	(14,369,721)		(12,095,222)	
Net current assets			406,136		1,994,550
Total assets less current liabilities			10,178,127		12,761,906
Creditors: amounts falling due after more than one year	20		(13,913,993)		(14,207,435)
Provisions for liabilities					
Deferred tax liability	22	33,693		28,569	
			(33,693)		(28,569)
Net liabilities			(3,769,559)		(1,474,098)
Capital and reserves					
Called up share capital	23		14,005		18,005
Share premium account	24		254,811		254,811
Capital redemption reserve			4,000		-
Hedging reserve	27		(289,808)		-
Profit and loss reserves			(3,752,567)		(1,746,914)
Total equity			(3,769,559)		(1,474,098)

ALPHABET BIDCO LIMITED

GROUP STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2023

The financial statements were approved by the board of directors and authorised for issue on 19 September 2023 and are signed on its behalf by:

M Stewart
Director

ALPHABET BIDCO LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	14		18,475,017		18,475,017
Current assets					
Debtors	18	1,147,271		46,136	
Cash at bank and in hand		65,342		53,176	
		<u>1,212,613</u>		<u>99,312</u>	
Creditors: amounts falling due within one year	19	<u>(3,519,465)</u>		<u>(1,398,083)</u>	
Net current liabilities			<u>(2,306,852)</u>		<u>(1,298,771)</u>
Total assets less current liabilities			16,168,165		17,176,246
Creditors: amounts falling due after more than one year	20		<u>(11,194,305)</u>		<u>(12,020,377)</u>
Net assets			<u>4,973,860</u>		<u>5,155,869</u>
Capital and reserves					
Called up share capital	23		14,005		18,005
Share premium account	24		254,811		254,811
Capital redemption reserve			4,000		-
Profit and loss reserves			<u>4,701,044</u>		<u>4,883,053</u>
Total equity			<u>4,973,860</u>		<u>5,155,869</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 £157,165 (2022 - £223,445 loss).

The financial statements were approved by the board of directors and authorised for issue on 19 September 2023 and are signed on its behalf by:

M Stewart
Director

Company Registration No. 12682651

ALPHABET BIDCO LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Hedging reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2021		18,005	254,811	-	-	(402,543)	(129,727)
Year ended 31 March 2022:							
Loss and total comprehensive expense for the year		-	-	-	-	(1,344,371)	(1,344,371)
Balance at 31 March 2022		18,005	254,811	-	-	(1,746,914)	(1,474,098)
Year ended 31 March 2023:							
Loss for the year		-	-	-	-	(1,980,809)	(1,980,809)
Other comprehensive income:							
Cash flow hedges loss arising in the year		-	-	(289,808)	-	-	(289,808)
Total comprehensive expense for the year		-	-	(289,808)	-	(1,980,809)	(2,270,617)
Purchase of own shares	23	(4,000)	-	-	4,000	(24,844)	(24,844)
Balance at 31 March 2023		14,005	254,811	(289,808)	4,000	(3,752,567)	(3,769,559)

Share premium account

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.

Capital redemption reserve

The capital redemption reserve represents the reduction in the nominal value of issued share capital arising from the redemption of shares.

Hedging reserve

The hedging reserve represents the cumulative fair value gains and losses recognised on foreign exchange forward contract derivative positions.

ALPHABET BIDCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2021		18,005	254,811	-	5,106,498	5,379,314
Year ended 31 March 2022:						
Loss and total comprehensive expense for the year		-	-	-	(223,445)	(223,445)
Balance at 31 March 2022		18,005	254,811	-	4,883,053	5,155,869
Year ended 31 March 2023:						
Loss and total comprehensive expense for the year		-	-	-	(157,165)	(157,165)
Purchase of own shares	23	(4,000)	-	4,000	(24,844)	(24,844)
Balance at 31 March 2023		14,005	254,811	4,000	4,701,044	4,973,860

Share premium account

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.

Capital redemption reserve

The capital redemption reserve represents the reduction in the nominal value of issued share capital arising from the redemption of shares.

ALPHABET BIDCO LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	31		(111,331)		2,618,734
Interest paid			(9,080)		(1,432,180)
Income taxes paid			(128,548)		(274,306)
Net cash (outflow)/inflow from operating activities			(248,959)		912,248
Investing activities					
Purchase of intangible assets		(203,100)		(100,598)	
Purchase of tangible fixed assets		(202,643)		(160,579)	
Interest received		129		-	
Net cash used in investing activities			(405,614)		(261,177)
Financing activities					
Purchase of own shares		(24,844)		-	
Repayment of borrowings		(30,000)		(867,777)	
Net cash used in financing activities			(54,844)		(867,777)
Net decrease in cash and cash equivalents			(709,417)		(216,706)
Cash and cash equivalents at beginning of year			4,809,819		5,026,525
Cash and cash equivalents at end of year			<u>4,100,402</u>		<u>4,809,819</u>

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

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, modified to include the revaluation of derivative financial instruments at fair value. A change in the accounting policy was applied to forward foreign exchange contracts, now held at fair value through other comprehensive income using hedge accounting (see accounting policy 1.21). The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination 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 business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates 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 business combination 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 2023. 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.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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

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 are confident the market for the group's services will grow over the next 12 months. Growth will come from increased requirements for network and cyber security services through additional compliance requirements as well as threat of network penetration and data loss.

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. The cash flow forecast demonstrates debts can be paid as they fall due for the period to at least 12 months following the approval of these financial statements and therefore the Directors are satisfied that the financial statements should be prepared 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.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

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

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

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.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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, and loans, 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 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, in which case the fair value changes are recognised through other comprehensive income.

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.

Derecognition of financial liabilities

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

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

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.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

1.21 Hedge accounting

The Group uses foreign exchange forward contracts to manage its exposure to foreign exchange risk on more significant foreign currency transactions. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and represented in a separate cash flow hedge reserve.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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:

	2023 £	2022 £
Turnover analysed by class of business		
Products	15,103,612	13,786,241
Services	7,529,217	7,939,428
	<u>22,632,829</u>	<u>21,725,669</u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	21,186,241	20,825,964
Rest of Europe	1,238,347	126,178
Rest of the World	208,241	773,527
	<u>22,632,829</u>	<u>21,725,669</u>

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4	Other operating income	2023	2022
		£	£
	Commissions received	-	4,428
	Foreign exchange gains on forward contracts	111,269	34,328
		<u>111,269</u>	<u>38,756</u>
5	Interest receivable and similar income	2023	2022
		£	£
	Interest income		
	Interest on bank deposits	129	-
		<u>129</u>	<u>-</u>
6	Operating (loss)/profit	2023	2022
		£	£
	Operating (loss)/profit for the year is stated after charging:		
	Exchange losses	200,730	19,145
	Depreciation of owned tangible fixed assets	149,301	106,095
	Amortisation of intangible assets	1,251,807	1,200,058
	Operating lease charges	181,642	183,876
		<u>1,783,480</u>	<u>1,509,174</u>
7	Auditor's remuneration	2023	2022
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	10,930	9,785
	Audit of the financial statements of the company's subsidiaries	31,070	27,815
		<u>42,000</u>	<u>37,600</u>
8	Interest payable and similar expenses	2023	2022
		£	£
	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	1,393,061	1,389,439
		<u>1,393,061</u>	<u>1,411,544</u>

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Director	5	2	3	1
Other executive	2	4	-	2
Administration	8	7	1	-
Sales	31	29	-	-
Total	46	42	4	3

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	3,361,095	2,812,121	88,122	94,800
Social security costs	431,166	339,398	5,943	5,680
Pension costs	115,009	116,405	-	-
	3,907,270	3,267,924	94,065	100,480

10 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	750,431	328,029
Company pension contributions to defined contribution schemes	24,261	8,896
	774,692	336,925

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

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

	2023 £	2022 £
Remuneration for qualifying services	227,806	187,283

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on losses in this period	23,977	198,338
Deferred tax		
Origination and reversal of timing differences	5,124	-
Total tax charge	29,101	198,338

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:

	2023 £	2022 £
Loss before taxation	(1,951,708)	(1,146,033)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(370,825)	(217,746)
Tax effect of expenses that are not deductible in determining taxable profit	169,923	188,010
Change in unrecognised deferred tax assets	4,179	-
Permanent capital allowances in excess of depreciation	-	4,842
Depreciation on assets not qualifying for tax allowances	1,689	-
Amortisation on assets not qualifying for tax allowances	223,233	223,232
Deferred tax under provided in prior year	7,338	-
Effect of super deduction enhanced capital allowances	(5,905)	-
Effect of change in tax rates applied to deferred tax	(531)	-
Taxation charge	29,101	198,338

The group has no tax adjusted losses available to carry forward against future trading profits.

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 2023

12 Intangible fixed assets

Group	Goodwill £	Software £	Website £	Total £
Cost				
At 1 April 2022	11,749,090	79,348	40,389	11,868,827
Additions	-	203,100	-	203,100
At 31 March 2023	11,749,090	282,448	40,389	12,071,927
Amortisation and impairment				
At 1 April 2022	1,287,571	19,837	10,098	1,317,506
Amortisation charged for the year	1,174,909	71,585	5,313	1,251,807
At 31 March 2023	2,462,480	91,422	15,411	2,569,313
Carrying amount				
At 31 March 2023	9,286,610	191,026	24,978	9,502,614
At 31 March 2022	10,461,519	59,511	30,291	10,551,321

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

13 Tangible fixed assets

Group	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	51,439	305,731	357,170
Additions	81,357	121,286	202,643
At 31 March 2023	132,796	427,017	559,813
Depreciation and impairment			
At 1 April 2022	13,057	128,078	141,135
Depreciation charged in the year	33,047	116,254	149,301
At 31 March 2023	46,104	244,332	290,436
Carrying amount			
At 31 March 2023	86,692	182,685	269,377
At 31 March 2022	38,382	177,653	216,035

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	18,475,017	18,475,017

Movements in fixed asset investments Company

Cost or valuation

At 1 April 2022 and 31 March 2023	18,475,017
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Carrying amount

At 31 March 2023	18,475,017
At 31 March 2022	18,475,017

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 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	1	Network Visibility, Network and Application Performance Tools and Integrated Cyber Security solutions	Ordinary	-	100.00
Phoenix Datacom Limited	1	Dormant company	Ordinary	-	100.00

Registered office addresses (all UK unless otherwise indicated):

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

16 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Finished goods and goods for resale	113,846	104,841	-	-

Stocks are stated after impairment of £69,932 (2022: £41,558).

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Financial instruments

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Carrying amount of financial assets				
Measured at amortised cost	5,469,626	4,364,197	1,019,447	2
Instruments measured at fair value through profit or loss	-	68,686	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Instruments measured at fair value through other comprehensive income	289,808	-	-	-
Measured at amortised cost	26,601,307	25,090,146	14,514,545	13,244,468
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	5,462,124	4,295,509	-	-
Corporation tax recoverable	189,312	-	-	-
Amounts owed by group undertakings	-	-	1,011,945	-
Other debtors	135,326	114,822	135,326	46,136
Prepayments and accrued income	2,979,911	3,300,323	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	8,766,673	7,710,654	1,147,271	46,136
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts falling due after more than one year:				
Prepayments and accrued income	1,794,936	1,464,458	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total debtors	<u>10,561,609</u>	<u>9,175,112</u>	<u>1,147,271</u>	<u>46,136</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

19 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Loan notes	21	3,116,295	796,072	3,116,295	796,072
Trade creditors		3,960,348	3,798,936	6,701	6,151
Amounts owed to group undertakings		-	-	-	330,606
Corporation tax payable		181,216	96,475	181,216	157,239
Other taxation and social security		1,211,383	1,116,036	18,009	16,753
Derivative financial instruments		289,808	-	-	-
Other creditors		7,417	76,630	-	69,300
Accruals and deferred income		5,603,254	6,211,073	197,244	21,962
		<u>14,369,721</u>	<u>12,095,222</u>	<u>3,519,465</u>	<u>1,398,083</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

20 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Loan notes	21	11,194,305	12,020,377	11,194,305	12,020,377
Accruals and deferred income		2,719,688	2,187,058	-	-
		<u>13,913,993</u>	<u>14,207,435</u>	<u>11,194,305</u>	<u>12,020,377</u>

21 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Loans notes	13,269,409	13,239,408	13,269,409	13,239,408
Unpaid accrued interest	1,392,446	-	1,392,446	-
Arrangement fees	(351,255)	(422,959)	(351,255)	(422,959)
	<u>14,310,600</u>	<u>12,816,449</u>	<u>14,310,600</u>	<u>12,816,449</u>
Payable				
Less than one year	3,116,295	796,072	3,116,295	796,072
One to five years	1,456,003	2,316,513	1,456,003	2,316,513
After five years	9,738,302	9,703,864	9,738,302	9,703,864
	<u>14,310,600</u>	<u>12,816,449</u>	<u>14,310,600</u>	<u>12,816,449</u>

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Loans and overdrafts

(Continued)

During the year capital repayments of £867,777 and interest payments of £1,392,446 on the loan notes were deferred.

Included in the loan notes is an amount of £3,471,106 (2022: £3,471,106) 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 (2022: £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 £20,000 (2022: £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 (2022: £6,594,706) which is secured and the remaining balance of £6,614,702 (2022: £6,644,702) 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.

22 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Group		
Accelerated capital allowances	33,693	28,569
	<u>33,693</u>	<u>28,569</u>
The company has no deferred tax assets or liabilities.		
	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 April 2022	28,569	-
Charge to profit or loss	5,124	-
	<u>33,693</u>	<u>-</u>
Liability at 31 March 2023	33,693	-

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.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23 Share capital

Group and company	2023	2022	2023	2022
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	13,500	93,500	675	4,675
	<u>798,520</u>	<u>878,520</u>	<u>14,005</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.

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.

Movements in share capital

During the year, 80,000 C Ordinary shares of 5p each were repurchased by the Company for total consideration of £24,844.

24 Share premium account

	Group 2023 £	2022 £	Company 2023 £	2022 £
At the beginning and end of the year	<u>254,811</u>	<u>254,811</u>	<u>254,811</u>	<u>254,811</u>

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

25 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	115,009	116,405

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 £7,417 (2022: £7,329) were payable to the fund at the year end and are included in other creditors.

26 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	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 April 2022	90,000	-	0.69	-
Granted	-	90,000	-	0.69
Forfeited	(20,000)	-	0.31	-
Outstanding at 31 March 2023	70,000	90,000	0.80	0.69
Exercisable at 31 March 2023	70,000	90,000	0.80	0.69

The options outstanding at 31 March 2023 had an exercise price ranging from £0.331 to £1.00, and a remaining contractual life of 9 years (2022: 10 years). The vesting period is to 31 March 2026.

Group and company

No share based payment charge is recognised in the Statement of comprehensive income since for the year ending 31 March 2023 the amount is trivial.

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

27 Hedging reserve

	Group 2023 £	2022 £	Company 2023 £	2022 £
At the beginning of the year	-	-	-	-
Gains and losses on cash flow hedges	(289,808)	-	-	-
At the end of the year	(289,808)	-	-	-

During the year the group has elected to apply hedge accounting to its forward foreign exchange derivative financial instruments. Forward contracts are utilised by the group to hedge its exposure and risk around foreign currency exchange fluctuations.

The fair value of the derivative instruments held at fair value through other comprehensive income under hedge accounting were financial liabilities of £289,808 (2022: £nil). Fair value losses of £289,808 (2022: £nil) were recognised through other comprehensive income during the year.

Of the derivatives held at the reporting date, all associated future cash flows are expected to arise and affect the profit or loss within 12 months of the year end.

28 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 2023 £	2022 £	Company 2023 £	2022 £
Within one year	148,359	151,093	-	-
Between two and five years	541,358	545,531	-	-
In over five years	356,868	482,585	-	-
	1,046,585	1,179,209	-	-

29 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	
	2023 £	2022 £	2023 £	2022 £
Company				
Shareholders	1,211,322	1,207,235	-	-
Directors and management	181,739	181,230	9,664	2,938

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

29 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2023 £	2022 £
Company		
Shareholders	12,691,763	11,480,441
Directors and management	1,910,078	1,758,967

Included in trade creditors at the year end, is an amount of £nil (2022: £151) payable to a director.

Other information

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

30 Controlling party

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

31 Cash (absorbed by)/generated from group operations

	2023 £	2022 £
Loss for the year after tax	(1,980,809)	(1,344,371)
Adjustments for:		
Taxation charged	29,101	198,338
Finance costs	1,393,061	1,411,544
Investment income	(129)	-
Amortisation of borrowing fees	71,704	-
Amortisation of intangible assets	1,251,807	1,200,058
Depreciation of tangible fixed assets	149,301	106,095
Other gains and losses	77,154	-
Movements in working capital:		
Increase in stocks	(9,005)	(35,724)
Increase in debtors	(1,265,873)	(1,592,162)
Increase in creditors	172,357	2,674,956
Cash (absorbed by)/generated from operations	(111,331)	2,618,734

ALPHABET BIDCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

32 Analysis of changes in net debt - group

	1 April 2022	Cash flows	Other non-cash changes	31 March 2023
	£	£	£	£
Cash at bank and in hand	4,809,819	(709,417)	-	4,100,402
Borrowings excluding overdrafts	(12,816,449)	30,000	(1,524,151)	(14,310,600)
	<u>(8,006,630)</u>	<u>(679,417)</u>	<u>(1,524,151)</u>	<u>(10,210,198)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.