APlus Bidco Limited

Annual Report and Financial Statements

Year Ended

30 June 2019

Company Number 10352632

APlus Bidco Limited

Company Information

Directors	M Avillez Caldeira J Rosa
Registered number	10352632
Registered office	Warwick House Limerston Capital Warwick House 25-27 Buckingham Palace Road London United Kingdom SW1W 0PP
Independent auditors	PricewaterhouseCoopers LLP No 1 Spinningfields Hardman Square Manchester M3 3EB

APlus Bidco Limited

Contents

APlus Bidco Limited

Strategic Report
For the Year Ended 30 June 2019

The Directors present the Strategic Report for the year ended 30 June 2019.

Principal activities

The principal activity is that of an intermediate holding company within the group of companies headed by APlus Topco Limited, with the trade being undertaken by the principal trading subsidiaries: AdviserPlus Business Solutions Limited and Succeed Consultancy Limited.

During the year AdviserPlus Business Solutions Limited continued to provide a range of HR related professional advisory, consultancy and technology services, designed to improve both the commercial and financial performance of its customers as well as the day-to-day effectiveness of line-managers at all levels. All services are designed to proactively pre-empt issues rather than just reactively manage the consequences of problems that have arisen. ·

During the year, AdviserPlus Business Solutions Limited continued to invest in its future growth through strengthening the management team and sales and marketing expertise plus additional investment in service development and its technology platform. ·

On 14 September 2018, the Company acquired 100% of the share capital of Succeed Consultancy Limited, a leading Human Capital Management and payroll technology implementation partner.

The consolidated results are reported within the Consolidated Statement of Comprehensive Income of the ultimate parent company, APlus Topco Limited.

Business review

The Company generated a loss of £7,613,000 (2018 - £2,506,000). Performance remains consistent with expectations. The net liabilities of the Company at 30 June 2019 were £6,050,000 (2018 - £2,430,000).

The Company holds debt and equity, with the key performance indicators shown in the financial statements of the trading entities, AdviserPlus Business Solutions Limited and Succeed Consultancy Limited.

Principal risks and uncertainties

The Group's principal activities are carried out through AdviserPlus Business Solutions Limited and these are detailed in the financial statements of that entity.

The principal risks to the Company are the carrying value of the investments. A review of the investments was undertaken at year end which resulted in an impairment of £4,548,000 to the investment in AdviserPlus Business Solutions Ltd. No impairment was made to the newly acquired investment in Succeed Consultancy Limited as there were no indicators of impairment as the company continues to trade profitably.

COVID-19 presents uncertainty and risk with respect to the Group's customers, which may affect the Group's future performance and financial results.

The Directors of the Company have reviewed business continuity plans and will continue to review operations throughout this period of uncertainty.

This report was approved by the board on 9/24/2020 and signed on its behalf.

DocuSigned by:

F57C8CAC00484A1...

M Avillez Caldeira
Director

Directors' Report
For the Year Ended 30 June 2019

The Directors present their report and the audited financial statements for the year ended 30 June 2019.

Results and dividends

The loss for the year, after taxation, amounted to £7,613,000 (2018 - loss £2,506,000).

The Directors do not propose a dividend for the year (2018 - £Nil).

Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

M Avillez Caldeira
J Rosa

Going concern

Despite the loss in the year, the directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. This is because the ultimate controlling party has provided a letter of support pledging support of the business for at least 12 months from the signing of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The interest on the unsecured loan notes and payment in kind notes is fixed at 12%. Interest is accrued annually and rolled up in to the loan note liability. The maturity date of the loan notes is 9 November 2026.

The impact of the novel COVID-19 cannot be accurately predicted and it is not possible to assess all possible future implications for the Group. However, the Group believes that it has a secure financial position that will enable it to continue operating through the current disruption. The principal trading subsidiary is cash generative with sufficient capacity to pay its liabilities as they fall due.

Future developments

The Company's future developments are outlined in the financial statements of the ultimate parent company, APlus Topco Limited.

Qualifying third party indemnity provisions

The Company has insurance provisions in place to provide indemnity cover for directors and officers of the Company.

Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the Directors consider them to be of strategic importance to the Company.

Post balance sheet events

On 6th August 2019, the Company acquired 100% of the Capital of Working Transitions Limited, an organisational change specialist delivering outplacement and change management solutions for consideration of £4,307,000.

On 10th March 2020, the Company acquired 100% of the Capital of Halborns Limited, a specialist employment law firm for consideration of £3,727,900.

The outbreak of the novel COVID-19 in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving and many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries and services. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of slower global economic growth. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel COVID-19.

During the COVID-19 period, the Group has fully deployed working remotely with no impact on service levels to customers.

Nevertheless, the novel COVID-19 presents uncertainty and risk with respect to the Group's customers, which may affect the Group's future performance and financial results.

The Directors of the Company have reviewed business continuity plans and will continue to review operations throughout this period of uncertainty.

While the impact of the novel COVID-19 situation cannot be accurately predicted and it is not possible to assess all possible future implications for the Company, based on this analysis and in the scenarios assessed, the Company believes that it has a secure financial position that will enable it to continue operating through the current disruption.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Directors' responsibilities statement

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, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' confirmations

Each of the Directors, whose names and functions are listed in Annual Report and Financial Statements confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the Company; and

- the Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the time when this Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board on 9/24/2020 and signed on its behalf.

DocuSigned by:

F57C8CAC00484A1...

M Avillez Caldeira
Director

Independent auditors' report to the members of APlus Bidco Limited

Report on the audit of the financial statements

Opinion

In our opinion, APlus BidCo Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 June 2019; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

- Overall materiality: £254,300 (2018: £214,630), based on 1% of total assets.

- APlus BidCo Limited is an intermediate holding company and consolidated accounts are not produced. By extension, there are no complex scoping decisions.

- Impact of Covid-19
- Carrying value of investments

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Independent auditors' report to the members of APlus Bidco Limited

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

Key audit matter	***How our audit addressed the key audit matter***
Impact of Covid-19 Refer to note 2.4 and 20 for further details. The ongoing and evolving COVID-19 pandemic, and the related government responses to this crisis, are having a limited impact on the entity and the Group it operates in due to the Group's principal activities being HR consultancy. However, there is still a level of uncertainty as to the duration of the pandemic and what its lasting impact will be on the Group. The Directors have considered the potential impact to the entity and the Group of the ongoing COVID-19 pandemic in several areas, including the assessment of going concern, the carrying value of the Group's assets and disclosures to be included in the financial statements. In relation to the Group's going concern assessment, the Directors adjusted the cash flow forecasts for the period to the end of September 2021 to reflect a number of severe but plausible downside scenarios resulting from the direct and indirect consequences of COVID-19, including, for example, a prolonged reduction in demand. This included an assessment of mitigating actions, such employee related cost savings. The Directors also considered the impact of COVID-19, as a post balance sheet event, on the carrying value of the entity and the Group's assets. It was concluded that this is a non-adjusting post balance sheet event and, as such, no changes to the carrying value of assets as at 31 December 2019 are required.	We re-evaluated our risk assessment in particular in relation to the appropriateness of the going concern basis of preparation of the financial statements. Based on the change in circumstances from the date of our planning due to COVID-19, and the evaluation performed by the Directors, we increased the risk to significant. We agreed that the cash position for the financial year to date were consistent with the starting point of the Directors' revised cash flow forecasts. We also checked the arithmetical accuracy of management's forecasts for the period to the end of September 2021. The Group is reliant on a letter of support from the parent, Limerston Capital due to its loss-making result of £3.1m and net liabilities position of £1.5m. We have performed audit procedures to obtain comfort that the parent is able to provide the necessary support to the group. We evaluated management's severe but plausible downside scenarios, and challenged their adequacy and underlying assumptions, including the level of reduction in sales, the period of such reduction and the timing and rate of anticipated sales recovery. We have also discussed the impact on the day to day operations and reviewed the disclosures included in the accounts. We examined supporting evidence for the cost mitigations included within the forecasts to corroborate their reasonableness, including an assessment of the Directors' ability to take actions to implement these mitigations if necessary. On the basis of the procedures above, we evaluated the level of forecast liquidity and agreed with management's assessment that there would likely be a sufficient level of working capital throughout the period to the end of the forecast period. We read management's disclosures in the financial statements in relation to the impact of COVID-19 and are satisfied that they are consistent with the assessment performed and correctly identify COVID-19 as a non-adjusting post balance sheet event. We also read the disclosures made in the other information and did not identify any inconsistencies with the financial statements. Our conclusions relating to going concern are included below.
Carrying value of investments Refer to note 2.8 and 12 for further details. APlus BidCo Limited holds a 100% investment in APlus Holdings Limited as a result of the acquisition of the Adviserplus Holdings Limited Group in November 2016,	We assessed the forecast performance of the business based upon historic performance and new business developments. We corroborated revenue growth rates to third party industry data. We compared the forecasts to the latest Board approved budget and found them to be consistent.

Independent auditors' report to the members of APlus Bidco Limited

Key audit matter	How our audit addressed the key audit matter
and 100% investment in Succeed Consultancy Limited as a result of the acquisition in September 2018. As per note 2.8, 'Investments in subsidiaries are measured at cost less accumulated impairment'. In line with this accounting policy and given the fall in the profitability of Adviserplus Holdings Limited Group in the past, management have considered whether the investment value is impaired. Based on management's assessments, the recoverable amount for the trading entity (AdviserPlus Business Solutions Limited) was determined to be £14.5m which is below the carrying value of £18.5m held by APlus BidCo Limited. As a result, management concluded that an impairment was to be recognised in the year. An analysis of all investments within the group has been performed and impairments recognised as necessary. For Aplus Bidco Limited, the impairment of £4.5m was recognised. We focused on this area as the determination of the recoverable amount required management to make a number of judgements and assumptions, of which the following are considered to be key: • The revenue growth rates over the life of the model, and • The discount rate used, as a small change in this could have a large impact on value in use. Management have also assessed that there are no impairment triggers in relation to investment in Succeed Consultancy Limited due to its profitability since the acquisition. Therefore, management have not performed an impairment assessment of this investment.	We applied sensitivity analysis to key assumptions within the model such as forecast growth and discount rate. Whilst the model is sensitive to changes in assumptions, we found management's forecasts to be reasonable. We engaged our valuations experts to assess the discount rate and found the discount rate applied to be within an acceptable range. We have checked the mathematical accuracy of the model with no issues being noted. We have performed an assessment of profitability of Succeed since the acquisition and reviewed the board approved forecast budgets. Based upon the above tests it was concluded that the recoverable amount was reasonable and the impairment of the Aplus Bidco's investment in Adviserplus Holdings Limited was appropriate. We agreed with management's conclusion that sufficient evidence exists to support that the investment balance in Succeed Consultancy Limited should not be impaired.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£254,300 (2018: £214,630).
How we determined it	1% of total assets.
Rationale for benchmark applied	APlus BidCo Limited is a non-trading holding company which has listed external debt. As such, total assets has been deemed the most appropriate benchmark.

We agreed with the directors that we would report to them misstatements identified during our audit above £12,700 (2018: £9,413) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent auditors' report to the members of APlus Bidco Limited

Conclusions relating to going concern

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Independent auditors' report to the members of APlus Bidco Limited

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jonathan Studholme

Jonathan Studholme (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
24 September 2020

APlus Bidco Limited

Statement of Comprehensive Income
For the Year Ended 30 June 2019

	Note	2019 £000	2018 £000
Turnover	4	**214**	144
Gross profit		**214**	144
Administrative expenses		**(197)**	(137)
Exceptional administrative expenses	5	**(267)**	-
Operating (loss)/profit	6	**(250)**	7
Impairment of investments	12	**(4,548)**	-
Interest payable and similar expenses	9	**(2,815)**	(2,513)
Loss before tax		**(7,613)**	(2,506)
Loss for the financial year		**(7,613)**	(2,506)

There was no other comprehensive income for 2019 (2018 - £Nil).

APlus Bidco Limited
Registered number: 10352632

Statement of Financial Position
As at 30 June 2019

	Note		2019 £000		2018 £000
Fixed assets					
Tangible assets	11		**5**		7
Investments	12		**17,509**		18,499
			17,514		18,506
Current assets					
Debtors	13	**2,883**		2,952	
Cash at bank and in hand		**399**		5	
		3,282		2,957	
Creditors: amounts falling due within one year	14	**(576)**		(438)	
Net current assets			**2,706**		2,519
Total assets less current liabilities			**20,220**		21,025
Creditors: amounts falling due after more than one year	15		**(26,270)**		(23,455)
Net liabilities			**(6,050)**		(2,430)
Capital and reserves					
Called up share capital	16		**6,133**		2,140
Profit and loss account	17		**(12,183)**		(4,570)
Total equity			**(6,050)**		(2,430)

The financial statements on pages 11 - 27 were approved and authorised for issue by the Board of Directors and were signed on its behalf on 9/24/2020 by

DocuSigned by:

F57C8CAC00484A1...

M Avillez Caldeira
Director

The notes on pages 14 to 27 form part of these financial statements.

APlus Bidco Limited

Statement of Changes in Equity
For the Year Ended 30 June 2019

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 July 2017	**2,140**	**(2,064)**	**76**
Comprehensive expense for the year			
Loss for the year	**-**	**(2,506)**	**(2,506)**
Total comprehensive expense for the year	**-**	**(2,506)**	**(2,506)**
At 1 July 2018	**2,140**	**(4,570)**	**(2,430)**
Comprehensive expense for the year			
Loss for the year	**-**	**(7,613)**	**(7,613)**
Total comprehensive expense for the year	**-**	**(7,613)**	**(7,613)**
Contributions by and distributions to owners			
Shares issued during the year	**3,993**	**-**	**3,993**
Total transactions with owners	**3,993**	**-**	**3,993**
At 30 June 2019	**6,133**	**(12,183)**	**(6,050)**

1. General information

APlus Bidco Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The Company's presentational and functional currency is GBP and amounts presented are rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of APlus Topco Limited as at 30 June 2019 and these financial statements may be obtained from Warwick House Limerston Capital, Warwick House, 25-27 Buckingham Palace Road, London, SW1W 0PP.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2. Accounting policies (continued)

2.4 Going concern

Despite the loss in the year, the directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. This is because the ultimate controlling party has provided a letter of support pledging support of the business for at least 12 months from the signing of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The interest on the unsecured loan notes and payment in kind notes is fixed at 12%. Interest is accrued annually and rolled up in to the loan note liability. The maturity date of the loan notes is 9 November 2026.

The impact of the novel COVID-19 cannot be accurately predicted and it is not possible to assess all possible future implications for the Group. However, the Group believes that it has a secure financial position that will enable it to continue operating through the current disruption. The principal trading subsidiary is cash generative with sufficient capacity to pay its liabilities as they fall due.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The Company provides management services to other members of the group and charges the relevant group company on an individually agreed basis for costs incurred with the addition of a handling charge.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

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 the Statement of Comprehensive Income 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.

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Exceptional items

Exceptional items are transactions that fall outside the ordinary activities of the Company and are presented separately due to their size or incidence.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 33.3%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

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

2.13 Cash and cash equivalents

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

2.14 Creditors

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

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Related party transactions

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

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

The Company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying ‘amounts of assets and liabilities within the next financial year are addressed below:

In preparing these financial statements, the directors have made the following judgements:

- Investments: The Company reviews the carrying value of its investments for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds it recoverable amount. This process will usually involve estimation of future cash flows and profits which are likely to be generated by the assets considering suitable revenue growth rates and relevant discount rate.

4. Turnover

The whole of the turnover is attributable to management charges.

All turnover arose within the United Kingdom.

5. Exceptional administrative expenses

	2019 £000	2018 £000
Professional fees in respect of acquisition	**267**	-

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	**4**	1

7. Auditors' remuneration

Audit fees of the Company are met by a fellow group member, AdviserPlus Business Solutions Limited. In the opinion of the directors, a reasonable allocation of the audit fee to this Company would be £1,500 (2018 - £1,500).

8. Employees

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	**40**	38
Social security costs	**5**	4
Other pension costs	**1**	-
	46	42

The average monthly number of employees, including the Directors, during the year was as follows:

	2019 No.	2018 No.
Directors and administration	**3**	3

The Directors did not receive any remuneration in the current or prior year for services to the Company.

9. Interest payable and similar expenses

	2019 £000	2018 £000
Loan note interest payable	**2,815**	2,513

10. Taxation

	2019 £000	2018 £000
Total tax expense	**-**	-
	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Loss before tax	**(7,613)**	(2,506)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**(1,446)**	(476)
Effects of:		
Expenses not deductible for tax purposes	**1,360**	258
Deferred tax not recognised	**76**	205
Difference between standard rate of corporation tax and actual rate applied to unrecognised deferred tax	**10**	13
Total tax charge for the year	**-**	-

There is an unprovided deferred tax asset of £651,000 at 30 June 2019 (2018 - £391,000). The asset comprises losses of £53,000 (2018 - £56,000) and other timing differences of £598,000 (2018 - £335,000) and neither asset is expected to reverse in the foreseeable future.

Factors that may affect future tax charges

As at the reporting date, reductions in the UK tax rate from 19% to 17%, effective from 1 April 2020, had been substantively enacted.

Under legislation substantively enacted on 17 March 2020, after the reporting date, the UK tax rate will remain to be 19% from 1 April 2020 onwards. This will affect the calculation of future tax charges.

APlus Bidco Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

11. Tangible assets

	Computer equipment £000
Cost or valuation	
At 1 July 2018	**9**
Additions	**2**
At 30 June 2019	**11**
Depreciation	
At 1 July 2018	**2**
Charge for the year	**4**
At 30 June 2019	**6**
Net book value	
At 30 June 2019	**5**
At 30 June 2018	7

12. Investments

	Investments in subsidiary companies £000
Cost	
At 1 July 2018	**18,499**
Additions	**3,558**
At 30 June 2019	**22,057**
Impairment	
At 1 July 2018	**-**
Charge for the period	**4,548**
At 30 June 2019	**4,548**
Net book value	
At 30 June 2019	**17,509**
At 30 June 2018	18,499

At year end, a detailed review of the value of investments was undertaken. This involved reviewing financial and cashflow forecasts and the assets and liabilities of the group. As a result of the review, an impairment was recognised due to a reduction in the valuation of investment in AdviserPlus Business Solutions Limited arising from revision of financial forecasts for future years.

12. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
AdviserPlus Holdings Limited	Woodcourt Riverside Park, Southwood Road, Bromborough, Wirral, United Kingdom, CH62 3QX	Ordinary	100%
Succeed Consultancy Limited	Woodcourt Riverside Park, Southwood Road, Bromborough, Wirral, United Kingdom, CH62 3QX	Ordinary	100%
AdviserPlus Business Solutions Limited	Woodcourt Riverside Park, Southwood Road, Bromborough, Wirral, United Kingdom, CH62 3QX	Ordinary	100%

On 14 September 2018, the Company acquired 100% of the share capital of Succeed Consultancy Limited, a company registered in England and Wales

The Company's investment in AdviserPlus Business Solutions Limited is indirectly held.

13. Debtors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed by group undertakings	**2,880**	2,931
Other debtors	**1**	21
Tax recoverable	**2**	-
	2,883	2,952

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

14. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	**4**	-
Amounts owed to group undertakings	**100**	408
Amounts owed to other participating interests	**30**	-
Other taxation and social security	**1**	-
Accruals	**25**	30
Deferred consideration	**416**	-
	576	438

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

15. Creditors: Amounts falling due after more than one year

	2019 £000	2018 £000
Loan notes	**26,270**	23,455

Loan notes are unsecured loan notes and payment in kind notes which were listed on 30 June 2017 on the Channel Island Securities Exchange Authority Limited (the Exchange). The maturity date of the loan notes is 9 November 2026 and carry a fixed rate of interest of 12%. Interest is accrued and rolled up in to loan note liability.

16. Called up share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
6,132,818 (2018 - 2,140,468) Ordinary shares of £1.00 each	**6,133**	2,140

On 20 November 2018, 3,992,350 shares were issued at par for consideration of £3,992,350.

17. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital reserve represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account includes all current and prior years retained profits and losses.

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,000 (2018 - £Nil). Contributions totalling £Nil (2018 - £Nil) were payable to the fund at the reporting date and are included in creditors.

19. Related party transactions

Advantage has been taken of the exemption under FRS 102 Section 33.1A not to disclose transactions with members of the same group that are wholly owned.

M Avillez Caldeira and J Rosa have control over the following entities: In 'N' Out Centres Limited, In 'N' Out Centres (Holdings) Limited, Tinoco Services Limited and Eunoia Advisers Limited. There were no transactions with any of these entities during the year.

20. Post balance sheet events

On 6th August 2019, the Company acquired 100% of the share capital of Working Transitions Limited, an organisational change specialist delivering outplacement and change management solutions through APlus Bidco Limited for consideration of £4,307,000.

On 10th March 2020, the Company acquired 100% of the share capital of Halborns Limited, a specialist employment law firm through APlus Bidco Limited, for consideration of £3,727,900.

The outbreak of the novel COVID-19 in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving and many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries and services. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of slower global economic growth. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel COVID-19.

Nevertheless, the novel COVID-19 presents uncertainty and risk with respect to the Group's customers, which may affect the Group's future performance and financial results.

The Directors of the Company have reviewed business continuity plans and will continue to review operations throughout this period of uncertainty.

While the impact of the novel COVID-19 situation cannot be accurately predicted and it is not possible to assess all possible future implications for the Company, based on this analysis and in the scenarios assessed, the Group believes that it has a secure financial position that will enable it to continue operating through the current disruption.

21. Controlling party

The Company's immediate parent entity is APlus Holdco Limited, a company incorporated in England and Wales. The registered office is Warwick House, 25-27 Buckingham Palace Road, London, SW1W 0PP.

The largest and smallest group in which the results of the Company are consolidated in that headed by APlus Topco Limited, a company incorporated in the United Kingdom. The consolidated financial statements are available to the public and may be obtained from Warwick House, 25-27 Buckingham Palace Road, London, SW1W 0PP.

The directors consider the ultimate controlling party to be the funds managed by Limerston Capital.