

PROJECT EMOJI BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2020

Pages for filing with registrar

COMPANY REGISTRATION NO: 11031750 (ENGLAND AND WALES)

Project Emoji Bidco Limited

Annual report and financial statements for the year ended 29 February 2020

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Project Emoji Bidco Limited

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Project Emoji Bidco Limited

Balance sheet as at 29 February 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	3	11,672	11,672
Current assets			
Debtors	4	99	48
Cash at bank and in hand		18	50
		117	98
Creditors: amounts falling due within one year	5	(2,079)	(1,673)
Net current liabilities		(1,962)	(1,575)
Creditors: amount falling due after one year	6	(11,131)	(10,618)
Net liabilities		(1,421)	(521)
Capital and reserves			
Called up share capital	8	1	1
Share premium		61	61
Accumulated losses		(1,483)	(583)
Total shareholders' deficit		(1,421)	(521)

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies' regime and in accordance with the provisions of FRS102 Section 1A – small entities.

The financial statements were approved by the board of directors on 25 February 2021 and signed on its behalf by:



C Moseley
Director

Project Emoji Bidco Limited

Notes to the financial statements for the year ended 29 February 2020

1. Principal accounting policies

Project Emoji Bidco Limited (the “company”) is an intermediary investment holding company. It owns the entire share capital of E-days Absence Management limited, a provider of software solutions for the human resources industry. The company is a private company, limited by shares, incorporated in England. The address of its registered office is Canalside House Ground Floor, Castle Wharf, 6 Canal Street, Nottingham, Nottinghamshire, United Kingdom, NG1 7EH.

Statement of compliance

The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 1A and the small companies regime, “the Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland” (“FRS102 1A”) and the Companies Act 2006.

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below.

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 £1,000. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities at fair value. Further disclosure is given in the directors’ report on page 2.

Turnover

Turnover is recorded net of VAT and any trade or settlement discounts. Turnover relates to amounts charged to subsidiary companies for services provided.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition within the companies’ tax computations.

A net deferred tax asset is recognised only if it can be regarded as more likely that not that there will be suitable future taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated using the tax rates in force or substantially enacted at the balance sheet date and are not discounted.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are items that are material either because of their size or their nature, or that are nonrecurring are considered as exceptional items and are presented within the line items to which they best relate.

Investments in subsidiary companies

Investment in subsidiary company is held at cost less accumulated impairment losses.

Project Emoji Bidco Limited

Notes to the financial statements (continued) for the year ended 29 February 2020

2 Employees

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

	2020 Number	2019 Number
Employees	6	6

3. Investments

Interests in group undertakings	£'000
Cost and net book value as at 1 March 2019	11,672
Cost and net book value as at 29 February 2020	11,672

The company, directly or indirectly, holds the entire share capital of the below companies, all of whom have the same registered address as the company:

Name of undertaking	Description of shares held	Country of incorporation	Principal activity
<i>Direct holdings:</i>			
E-days Absence Management Limited	Ordinary shares	United Kingdom	Provision of absence management computer software and related services

4. Debtors

	2020 £'000	28 February 2019 £'000
Amounts due from subsidiary undertakings	96	48
Prepayments and other debtors	3	-
Total	99	48

Amounts due from subsidiary undertakings are unsecured, interest free and repayable on demand.

Project Emoji Bidco Limited

Notes to the financial statements (continued) for the year ended 29 February 2020

5. Creditors: amounts falling due within one year

	2020 £'000	28 February 2019 £'000
Trade creditors	6	-
Bank loans	270	270
Amounts owed to subsidiary companies	1,785	1,364
Accruals and deferred income	-	39
Other taxation and social security	4	-
Other creditors	14	-
Total	2,079	1,673

Amounts owed to subsidiary companies are interest free, repayable on demand and unsecured.

6. Creditors: amounts falling due after one year

	2020 £'000	28 February 2019 £'000
Loan notes	9,500	8,726
Bank loans	1,393	1,654
Deferred consideration	238	238
Total	11,131	10,618

Loan notes are secured on the assets of the company and accrue interest at 10% per year. They are repayable in a single payment during 2022. Included within the above amounts is unpaid interest of £1,780,000 (2019: £1,006,000). The group has granted security over its assets in relation to the loans held within Project

Emoji Bidco Limited. The total amount outstanding on these loans at the year-end is included in the above note.

Deferred consideration relates to an agreed amount payable in relation to the acquisition of E-days Absence Management Limited.

Bank loans are stated after £47,000 (2019: £56,000) of unamortised issue costs which are amortised over the life of the loan and recorded in bank interest costs.

Project Emoji Bidco Limited

Notes to the financial statements (continued) for the year ended 29 February 2020

7. 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 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

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

Project Emoji Bidco Limited

Notes to the financial statements (continued) for the year ended 29 February 2020

8. Called up share capital

	2020 £'000	28 February 2019 £'000
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Allotted, called up and fully paid:		
62,382 Ordinary shares of 1 pence (2019: 62,382)	1	1
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9. Parent company and controlling party

The immediate parent undertaking is Project Emoji Topco Limited, a company registered in England. The consolidated financial statements of Project Emoji Topco Limited are the smallest and largest group in which the financial position and performance of the company is consolidated into. Copies of these financial statements are available at companies house.

In the view of the directors there is no individual ultimate controlling party of the group. Palatine Private Equity Impact Investing Fund LP are the largest shareholder in the company.

10. Events after the balance sheet date

On 24 February 2021, revised banking covenants relating to the bank debt in Project Emoji Bidco were successfully agreed.

11. Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditors' report was unqualified

The senior statutory auditor was Matthew Palmer

The auditor was PricewaterhouseCoopers LLP