Company Registration No. 12027708 (England and Wales)

HOOK BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

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HOOK BIDCO LIMITED

COMPANY INFORMATION

Directors	M Campbell	(Appointed 30 September 2019)
	B Long	(Appointed 3 June 2019)
	D McAnaspie	(Appointed 31 October 2019)
	M Stricker	(Appointed 13 May 2020)
Company number	12027708	
Registered office	Devonshire House 60 Goswell Road London EC1M 7AD	
Auditor	RSM UK Audit LLP Marlborough House Victoria Road South Chelmsford Essex CM1 1LN	
Business address	1 Beta Terrace West Road Ransomes Industrial Estate Ipswich IP3 9FE	

HOOK BIDCO LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present the strategic report for the period ended 31 December 2019.

Review of the business

The company was incorporated on 3 June 2019 to acquire Ridgewall Limited on 31 October 2019, to issue loan notes, and subsequently provide management services to the group with effect from the acquisition date. The company incurs group management costs which are recharged to group companies. Loan notes with a value of £10,531,124 were issued during the period to assist in funding the investment, which incur interest and has resulted in the loss for the period being reported. The remaining funding is through intercompany loans. As such, further review of key performance indicators is not deemed necessary.

Principal risks and uncertainties

The company is entirely dependent on the financial performance of Ridgewall Limited and in turn its direct and indirect subsidiary undertakings. The ultimate parent company of the group and the company that prepares consolidated financial statements is Hook Topco Limited. Accounts for all group companies can be obtained from Companies House setting out the relevant risk and uncertainties.

Post reporting date events

Subsequent to reporting date, on 11 March 2020, the World Health Organization declared an ongoing global outbreak of a novel coronavirus, known as 'coronavirus disease 2019' ('COVID-19'), as a pandemic.

In order to prevent and contain the transmission of COVID-19, Governments have imposed, amongst others, the following measures on its citizens and visitors: travel restrictions, quarantines, entry bans, temporary closure of businesses and schools, and the cancellation of gathering or events. As a result, there has been an immediate impact on businesses, such as tourism, travel, transport, hospitality, retail, entertainment, sport and education, which has resulted in lower economic activity. There has also been an impact on supply chains and the production of goods throughout the world and this lower economic activity has resulted in reduced demand for many goods and services.

In order to mitigate the economic impacts of the COVID-19 pandemic, Governments have begun to implement a range of economic responses to provide financial stimulus and welfare support. As at the date of this report, the COVID-19 pandemic continues to negatively impact global and national economic activity.

Like many businesses, the group has experienced a decrease in business activity, although positively this is less of a decrease than initially forecasted at the start of the pandemic. The group's business model means a decrease in customer business activity results in lower usages and therefore revenue for the group.

Management have taken the following steps in response to the pandemic:

- Implemented appropriate health and safety responses to ensure the continuity of its business operations.
- Successfully transitioned to home working
- Undertaken an analysis of its forecast cash flows for twelve months from the date of approval of these financial statements. This analysis includes the consideration of possible changes in key forecast assumptions.
- Reviewed its bank loan facilities and agreed new, more favourable, terms with the bank.
- Conducted a cost review exercise to make reductions where possible, including closing the London office.

It is not possible to estimate the impact of the pandemic's short and long-term effects. As such, it is not practical to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the group at this time.

These financial statements have been prepared based upon conditions existing at the end of the reporting period, 31 December 2019, and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 pandemic occurred after 31 December 2019, its impacts are considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to these financial statements in relation to the COVID-19 pandemic.

Future developments

As explained above, the company acquired Ridgewall Limited during period. Over the past several years, Ridgewall Limited has acquired four established companies and, having integrated those businesses, has recently launched as one business with a refreshed brand identity, operating as one team and continuing to deliver the highest levels of service and support.

The Group is focused on a buy and build strategy, and is actively pursuing acquisitions of specialised IT and communications companies.

The Group will continue to be at the forefront of next generation managed IT, cyber security, connectivity and cloud services, unified communications and document solutions. Whilst it is particularly strongly represented in the hospitality industry, the team's experience and capabilities mean that it is delivering value to clients across a broad and well-diversified range of sectors.

On behalf of the board



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D McAnaspie

Director 7th Oct 2020

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HOOK BIDCO LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the period ended 31 December 2019.

The company was incorporated on 3 June 2019 and acquired the share capital of Ridgewall Limited on 31 October 2019.

Principal activities
The principal activity of the company was that of a holding company.

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

M Campbell	(Appointed 30 September 2019)
B Long	(Appointed 3 June 2019)
D McAnaspie	(Appointed 31 October 2019)
J McCall	(Appointed 31 October 2019 and resigned 13 May 2020)
R Wootten	(Appointed 3 June 2019 and resigned 30 September 2019)
M Stricker	(Appointed 13 May 2020)

Results and dividends
The results for the period are set out on page 9.

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

Qualifying third party indemnity provisions
The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Auditor
RSM UK Audit LLP, Chartered Accountants, were appointed as auditor to the company and have indicated their willingness to continue in office.

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 company's auditor 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 company's auditor is aware of that information.

Matters of strategic importance
Future development, post reporting date events and financial risk disclosure information is not shown within the Directors' Report as it is instead included within the Strategic Report on pages 1 to 2 under S414c(11).

Going concern

At the period end the group had a positive EBITDA and cash generative position. Post year end trading and cash generation have remained strong and as noted above, the group has adapted its business practices well in response to the COVID-19 pandemic. The group has also benefited from various UK Government schemes to further improve cashflows where appropriate.

Ridgewall Limited's lending facility with Clydesdale Bank PLC includes an undertaking from the group that it will meet certain financial covenants. Whilst the group met the financial covenants at 31 December 2019 and at 31 March 2020, it failed to meet a covenant at 30 June 2020 and, although this has not been finalised at the date of sign off of these financial statements, is expecting to breach a covenant at 30 September 2020. Clydesdale Bank PLC has waived the breach at 30 June 2020 and has confirmed that it is their current intention to also waive any financial covenant breaches at 30 September 2020. The group's cash flow forecasts for the 12 months after the date of approval of these financial statements indicate that further breaches are possible at 31 December 2020, 31 March 2021 and 30 June 2021. However, the group is confident that it's ultimate controlling entity, Inflexion Enterprise Fund V GP Guernsey Limited and bank will continue to support the group's strategy and that the group and company will have adequate resources to continue in operational existence. The group has also produced alternative forecasts demonstrating their ability to remedy future breaches via modification of future plans in case this is required.

Having considered these factors, including the written waiver obtained from Clydesdale Bank PLC, and the latest available guidance on going concern, the directors have a reasonable expectation that the group and company will have adequate resources to continue in operation existence, meeting all liabilities as they fall due, for a period of twelve months from the approval of the financial statement and as such the directors have determined that the company's application of the going concern basis of accounting remains appropriate.

On behalf of the board



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D McAnaspie
Director

Date: 7th Oct 2020

HOOK BIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 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;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HOOK BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HOOK BIDCO LIMITED

Opinion

We have audited the financial statements of Hook Bidco Limited (the 'company') for the period ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF HOOK 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.

RSM UK Audit LLP

Kerry Norman (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex
CM1 1LN

8/10/2020

HOOK BIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Period ended 31 December 2019 £
Administrative expenses		(28,546)
Other operating income		29,973
Operating profit		1,427
Interest receivable and similar income	**6**	5,575
Interest payable and similar expenses	**7**	(210,622)
Loss before taxation		(203,620)
Tax on loss	**8**	-
Loss for the financial period		(203,620)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

HOOK BIDCO LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	£
Fixed assets			
Investments	**9**		26,387,415
Current assets			
Debtors falling due after more than one year	**11**	255,000	
Debtors falling due within one year	**11**	11,736,202	
		11,991,202	
Creditors: amounts falling due within one year	**12**	(27,840,490)	
Net current liabilities			(15,849,288)
Total assets less current liabilities			10,538,127
Creditors: amounts falling due after more than one year	**13**		(10,741,746)
Net liabilities			(203,619)
Capital and reserves			
Called up share capital	**15**		1
Profit and loss reserves	**16**		(203,620)
Total equity			(203,619)

The financial statements were approved by the board of directors and authorised for issue on 7th Oct 2020 and are signed on its behalf by:

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D McAnaspie
Director

Company Registration No. 12027708

HOOK BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Period ended 31 December 2019:				
Loss and total comprehensive income for the period		-	(203,620)	(203,620)
Issue of share capital	**15**	1	-	1
Balance at 31 December 2019		1	(203,620)	(203,619)

1 Accounting policies

Company information

Hook Bidco Limited is a private company limited by shares incorporated in England and Wales. The registered office is Devonshire House, 60 Goswell Road, London, EC1M 7AD.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Hook Topco Limited. These consolidated financial statements are available from its registered office, Devonshire House, 60 Goswell Road, London, United Kingdom, EC1M 7AD.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1 Accounting policies **(Continued)**

1.2 Going concern

At the period end the group had a positive EBITDA and cash generative position. Post year end trading and cash generation have remained strong and as noted above, the group has adapted its business practices well in response to the COVID-19 pandemic. The group has also benefited from various UK Government schemes to further improve cashflows where appropriate.

Ridgewall Limited's lending facility with Clydesdale Bank PLC includes an undertaking from the group that it will meet certain financial covenants. Whilst the group met the financial covenants at 31 December 2019 and at 31 March 2020, it failed to meet a covenant at 30 June 2020 and, although this has not been finalised at the date of sign off of these financial statements, is expecting to breach a covenant at 30 September 2020. Clydesdale Bank PLC has waived the breach at 30 June 2020 and has confirmed that it is their current intention to also waive any financial covenant breaches at 30 September 2020. The group's cash flow forecasts for the 12 months after the date of approval of these financial statements indicate that further breaches are possible at 31 December 2020, 31 March 2021 and 30 June 2021. However, the group is confident that it's ultimate controlling entity, Inflexion Enterprise Fund V GP Guernsey Limited and bank will continue to support the group's strategy and that the group and company will have adequate resources to continue in operational existence. The group has also produced alternative forecasts demonstrating their ability to remedy future breaches via modification of future plans in case this is required.

Having considered these factors, including the written waiver obtained from Clydesdale Bank PLC, and the latest available guidance on going concern, the directors have a reasonable expectation that the group and company will have adequate resources to continue in operation existence, meeting all liabilities as they fall due, for a period of twelve months from the approval of the financial statement and as such the directors have determined that the company's application of the going concern basis of accounting remains appropriate.

1.3 Reporting period

During the period, the company shortened its accounting period so as to end on 31 December 2019. The reporting period is therefore shorter than one year.

1.4 Fixed asset investments

Interests 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 and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Financial instruments

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 includes amounts owed by group undertakings, other debtors (including accrued income) and loan notes, 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.

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.

1 Accounting policies **(Continued)**

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, amounts owed to group undertakings, accruals and loan notes, 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.

Derecognition of financial liabilities

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

1.7 Equity instruments

Equity instruments issued by the company 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 company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit can differ from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the directors' opinion, there are no estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

The company has recognised provisions in its financial statements, which requires management to make judgements and estimates in respect of:

- carrying value of investments
- recoverability of amounts owed by group undertakings and loan notes
- accruals for contingent consideration on acquisitions

3 Auditor's remuneration

The audit fee of £2,000 was borne by the company's subsidiary.

4 Employees

There were no employees during the period.

5 Directors' remuneration

	2019 £
Sums paid to third parties for directors' services	28,546

6 Interest receivable and similar income

	2019 £
Interest income	
Interest on loan notes from group undertakings	5,000
Other interest income	575
Total income	5,575

7 Interest payable and similar expenses

	2019 £
Interest on financial liabilities measured at amortised cost:	
Interest on loan notes to group undertakings	210,622

8 Taxation

	2019 £
UK corporation tax on profits for the current period	-

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

	2019 £
Loss before taxation	(203,620)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(38,688)
Losses surrendered to other group companies	38,688
Taxation charge for the period	-

9 Fixed asset investments

	Notes	2019 £
Investments in subsidiaries	10	26,387,415

On 31 October 2019 the company acquired 100% of the shares of Ridgewall Limited for a total consideration of £26,387,415. The consideration comprised of cash of £12,574,212, deferred consideration of £1,691,870, loan notes of £10,281,124 and directly attributable acquisition costs of £1,840,209.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 3 June 2019	-
Additions	26,387,415
At 31 December 2019	26,387,415
Carrying amount	
At 31 December 2019	26,387,415

10 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Ridgewall Limited	See below	Managed IT and print management	Ordinary	100.00	-
Connecting London Limited	See below	Managed IT and telecommunication services	Ordinary	-	100.00
Telnet International Limited	See below	Managed IT and telecommunication services	Ordinary	-	100.00
Nomis Connections Limited	See below	Managed IT and telecommunication services	Ordinary	-	100.00
QDOS SBL Group Limited	See below	Managed IT and telecommunication services	Ordinary	-	100.00
QSG Technical Consulting Limited	See below	Dormant	Ordinary	-	100.00

All of the above companies are incorporated in the United Kingdom. The registered office for all of the above companies is Devonshire House, 60 Goswell Road, London, EC1M 7AD.

Connecting London Limited, Telnet International Limited, Nomis Connections Limited and QDOS SBL Group Limited are 100% owned by Ridgewell Limited.

QSG Technical Consulting Limited is 100% owned by QDOS SBL Group Limited.

11 Debtors

Amounts falling due within one year:	2019 £
Amounts owed by group undertakings	10,582,998
Other debtors	1,115,704
Prepayments and accrued income	37,500
	11,736,202

Amounts falling due after more than one year:	2019 £
Loan notes from group undertakings	255,000
Total debtors	11,991,202

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

The loan notes are unsecured, bear interest at 12% and are repayable on 31 October 2025. The balance at 31 December 2019 includes accrued interest of £210,622.

12 Creditors: amounts falling due within one year

	2019 £
Trade creditors	120,445
Amounts owed to group undertakings	25,988,800
Accruals and deferred income	1,731,245
	27,840,490

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

13 Creditors: amounts falling due after more than one year

	Notes	2019 £
Loan notes to group undertakings	14	10,741,746

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	10,741,746

14 Borrowings

	2019 £
Loan notes to group undertakings	10,741,746
Payable after one year	10,741,746

The loan notes are unsecured, bear interest at 12% and are repayable on 31 October 2025. The balance at 31 December 2019 includes accrued interest of £210,622 and is included within creditors due after more than one year.

15 Share capital

	2019 £
Ordinary share capital	
Issued and fully paid	
1 Ordinary share of £1 each	1

On 3 June 2019 1 £1 Ordinary share was issued at par for a cash consideration of £1.

The company's Ordinary share carries no right to fixed income.

16 Profit and loss reserves

The profit and loss reserve represents the cumulative profit and loss net of distributions.

17 Financial commitments, guarantees and contingent liabilities

Cross guarantees to secure loan note borrowings in Hook Topco Limited and Hook Midco 1 Limited exists between Hook Topco Limited, Hook Midco 1 Limited, Hook Midco 2 Limited, Hook Bidco Limited, Ridgewall Limited, Connecting London Limited, Telnet International Limited and Nomis Connections Limited. The amounts outstanding at 31 December 2019 totalled £37,249,302.

18 Events after the reporting date

Subsequent to reporting date, on 11 March 2020, the World Health Organization declared an ongoing global outbreak of a novel coronavirus, known as 'coronavirus disease 2019' ('COVID-19'), as a pandemic.

In order to prevent and contain the transmission of COVID-19, Governments have imposed, amongst others, the following measures on its citizens and visitors: travel restrictions, quarantines, entry bans, temporary closure of businesses and schools, and the cancellation of gathering or events. As a result, there has been an immediate impact on businesses, such as tourism, travel, transport, hospitality, retail, entertainment, sport and education, which has resulted in lower economic activity. There has also been an impact on supply chains and the production of goods throughout the world and this lower economic activity has resulted in reduced demand for many goods and services.

In order to mitigate the economic impacts of the COVID-19 pandemic, Governments have begun to implement a range of economic responses to provide financial stimulus and welfare support. As at the date of this report, the COVID-19 pandemic continues to negatively impact global and national economic activity.

Like many businesses, the group has experienced a decrease in business activity, although positively this is less of a decrease than initially forecasted at the start of the pandemic. The group's business model means a decrease in customer business activity results in lower usages and therefore revenue for the group.

Management have taken the following steps in response to the pandemic:

- Implemented appropriate health and safety responses to ensure the continuity of its business operations.
- Successfully transitioned to home working
- Undertaken an analysis of its forecast cash flows for twelve months from the date of approval of these financial statements. This analysis includes the consideration of possible changes in key forecast assumptions.
- Reviewed its bank loan facilities and agreed new, more favourable, terms with the bank.
- Conducted a cost review exercise to make reductions where possible, including closing the London office.

It is not possible to estimate the impact of the pandemic's short and long-term effects. As such, it is not practical to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the group at this time.

These financial statements have been prepared based upon conditions existing at the end of the reporting period, 31 December 2019, and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 pandemic occurred after 31 December 2019, its impacts are considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to these financial statements in relation to the COVID-19 pandemic.

19 Ultimate controlling party

Hook Midco 2 Limited is the immediate parent company, a company incorporated in the United Kingdom.

The directors consider the ultimate parent undertaking to be Hook Topco Limited, a company incorporated in the United Kingdom.

Hook Topco Limited is the smallest and largest group for which consolidated accounts are prepared. The consolidated accounts are available from its registered office, Devonshire House, 60 Goswell Road, London, United Kingdom, EC1M 7AD.

The ultimate controlling entity is Inflexion Enterprise Fund V GP Guernsey Limited.

In the opinion of the directors there is deemed to be no one controlling party.