Parent of 05474679
Note on page 21

Company information

Directors

Edward Jonathan Tymms Shuckburgh
Alexander Borut Bokhove
Oliver Robert Stewart Tucker
Richard Miller

Company secretary

Richard Miller

Company number

11459265

Registered office

Horizon
Honey Lane
Hurley
Maidenhead
Berkshire
SL6 6RJ
United Kingdom

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
3 Forbury Place
23 Forbury Road
Reading
Berkshire
RG1 3JH
United Kingdom

Strategic report

For the period ended 30th April 2019

The directors present their strategic report on the group for the period ending 30th April 2019.

Business Review

Blue Holdco Limited was incorporated on 11th July 2018 in order to facilitate the acquisition of the Wireless Logic group. Blue Holdco Limited does not trade with customers and is a parent holding company in the group structure. The immediate parent undertaking is Blue Topco Limited, a company incorporated in Jersey. The directors consider the controlling party to be funds managed by Montagu Private Equity LLP. The initial accounting period brings the period end in line with year end of the operating companies in the Wireless Logic group. There are no comparative figures presented in the financial statements as this is the initial accounting period.

Wireless Logic is a leading Machine-to-Machine ("M2M") and Internet of Things ("IOT") managed services platform provider. The business provides cloud based management and monitoring platforms for M2M and IOT assets across multiple international mobile network and satellite operators.

We are Europe's leading M2M and IOT managed services provider, delivering a one-stop solution combining secure infrastructure, resilient software platforms and multiple network connectivity. In partnership with major mobile and satellite networks, we provide best-in-class managed services to end user clients as well as solution and application providers – from global blue chip organisations to small and medium enterprises.

Fundamental to our success is our ability to develop and deliver tailored PaaS and IaaS solutions, designed to meet the needs of an ever more demanding and evolving market where reliability, cost-effectiveness, SLAs and sector knowledge are vital. Wireless Logic is globally recognised within the M2M and IOT sectors as well as being a preferred partner to many of the world's Mobile Network Operators (MNOs). We continue to push the boundaries as the market evolves – providing managed services, connectivity and related solutions to millions of devices.

Following the acquisition of the Wireless Logic group by funds managed by Montagu Private Equity LLP in July 2018, the consolidated accounts for the group have been prepared for the period ended 30th April 2019, and include the 9 months trading results of the group. These show revenues of over £51m and EBITDA before exceptional items of almost £18m. Whilst consolidated group accounts for the year ending 30th April 2019 are not prepared because of the reduced initial accounting period of the new holding company, referred to above, the consolidated group results for the year ended 30th April 2019 show turnover exceeded £67m (2018; £55.2m) up over 21% and EBITDA before exceptional items was £23.0m (2018; £18.6m) up 24%.

Strategy

The strategy of the group is focussed on growing the business geographically and continuing to broaden the services it offers to customers.

Geographically, as at 30th April 2019, the group had operating subsidiaries in France, Germany, Spain, Denmark and The Netherlands; and served the needs of customers across 40 countries.

Strategic report (continued)

Strategy (continued)

In terms of services, our SIMPro platform offers customers a unique and differentiated feature rich platform to enable them to manage their assets across multiple networks. We continue to add further additional services to SIMPro in order to meet the growing needs of our customer base.

The long-term strategy of the group is to be the leading global M2M and IOT managed services platform provider.

Objectives

Whilst these accounts cover a period from the 11th July 2018 to 30th April 2019, the group sets objectives linked to financial years.

The business objectives for the group for the year ended 30th April 2019 included:

- increasing EBITDA before exceptional costs by more than 15% – this objective was achieved, with growth at over 24%,
- continuing to develop the group internationally including growing subscriptions managed out of Denmark, France, Germany, Spain and Netherlands by more than 15% – subscriptions in these territories grew by more than 19% and revenues outside the UK grew by almost 80%,
- to look actively, but selectively, at acquisition opportunities – we acquired M2M Blue Ventures BV in February 2019 and after the year end we acquired SIMPoint BV in June 2019 and Matooma SAS in July 2019.

As well as exceeding our objectives, the Wireless Logic group continues to be recognised by Megabuyte as one of the leading technology companies in the UK.

Business model

Our business model is built around the core strategic themes of supporting our global customers, innovation and delivering profitable growth.

We benefit from a subscription based revenue stream which provides a high degree of visibility of future performance. We continue to invest in the infrastructure that enables us to deliver robust and reliable services to end users, who often use what we provide to support activities that are mission critical within their own businesses. We also invest significant amounts into the intangible assets within the business, including the technical and intellectual property behind the platforms and solutions we offer.

Future outlook

The future outlook for the industry and the company remains extremely positive. Analysis and forecasts of the M2M and IOT markets, by external industry experts, show continued rapid growth, as the end uses to which the technology is put, continue to expand. Furthermore, the applications to which M2M and IOT technologies are being applied, continue to become more sophisticated, and more data intensive. This

Strategic report (continued)

Future outlook (continued)

increases the need for both the resilient private infrastructure and the platforms we offer, to enable customers to manage their growing estate of devices.

Principal risks and uncertainties

The principal risks facing the business and details of how we mitigate these risks are set out below.

- Supplier relationships – Our relationships with the leading mobile network operators are important to our on-going success. We are an important channel and route to market for them and we mitigate the risk of these relationships being damaged through close and frequent contact.

- Technology – The M2M and IOT markets are largely based around the use of SIM card technology. Whilst this technology may change, the need for machines to be connected is forecast to increase significantly. Any technology risks are mitigated through the use of our flexible platforms which enable us to accommodate changes in the technology underlying M2M and IOT connectivity, and the fact that we are bearer service agnostic.

- Customers – The business has a customer base across a large number of industries, and no single customer accounted for more than 5% of the gross profit. Furthermore, the contracted subscription nature of our revenue provides a high degree of visibility of income.

- Interest rate exposure – The business is funded by a combination of debt from third party banking institutions, shareholder loans and equity. The third-party banking institutional debt is provided through a combination of unitranche and revolving credit facilities. Interest is charged on these at LIBOR plus a fixed margin. The group has mitigated the risk of rising interest rates, giving rise to significant increases in interest charges, by entering into an interest rate capping instrument that covers the majority of the third-party bank institution debt. Interest rates on debt provided by shareholders are fixed and don't therefore fluctuate with LIBOR, eliminating any risk of increased interest charges on this element of debt funding.

Brexit

The group has operations and subsidiaries across continental Europe and has been monitoring and planning for Brexit since it was announced. In continental Europe the group's subsidiaries work with local mobile network operators and sell largely to local customers, with transactions denominated in Euros or Danish Krona. We don't manufacture physical products and cross border movements are limited to a relatively small number of SIM cards. The group has published guidance on Brexit on our website. We expect the direct impact of Brexit on the group will be minimal, other than variations in the general economic climate caused by terms under which the UK leaves the EU.

Exceptional items

Exceptional operating costs incurred during the period related principally to mergers and acquisitions and a share-based payment charge. Further details of these costs are disclosed in note 6.

Strategic report (continued)

Key performance indicators

Management adopts a number of indicators to measure and monitor the overall performance of the group of which Blue Holdco Limited is a part. Although these accounts report the results for the period 11th July 2018 to 30th April 2019, the following performance indicators are for the year ended 30th April 2019:

- average monthly revenue per subscriber which showed a positive trend,
- group EBITDA which increased to £23.0m (£18.6m 2018) in the year,
- group gross margin which increased to 52.2% (50.0% 2018), and
- group cash conversion, which was over 95% (close to 110% in 2018).

A budget is set each year and monthly performance, including the key performance indicators above, are monitored against budget. For the period ended 30th April 2019, the group exceeded budget and performed strongly against every key performance indicator. In addition, the company looks closely at non-financial key performance indicators, such as staff and customer satisfaction.

Corporate and Social Responsibility

Throughout the year the group supported a number of initiatives including charitable work undertaken by staff. Our employment policies are reviewed regularly and designed to enable the management team to identify and respond to issues that are important to the group's employees, as well as to recruit and develop a diverse and talented group of people. We consider and report on the environmental impact of the group's activities but, as a largely services based business, we don't have any manufacturing or logistics operations that are energy intensive.

Approved by the Board and signed on its behalf

Oliver Tucker
CEO
24 February 2020

Directors' report

For the period ended 30th April 2019

The directors present their report together with the audited financial statements of the group for the period ended 30th April 2019.

Principal activities

The principal activities of the group are providing managed services in the Machine to Machine ("M2M") and Internet of Things ("IOT") sectors. The subsidiary undertakings principally affecting the results and net assets of the group in the period are listed in note 11.

The directors are pleased to present this set of results and believe the future outlook (details of which can be found in the strategic report) for the industry, and the company, remains positive.

The directors would like to thank all our customers, suppliers, partners and employees for their support in the period.

The results for the period ended 30th April 2019 and financial position of the group and the company as at 30th April 2019 are shown in the financial statements.

Exceptional operating expenses of £9,976k were reported in the period. The exceptional costs relate primarily to merger and acquisition activity and a share based payment charge.

Research and Development

Research and Development expenditure includes the costs of the group's development staff and external contracts for specialist developers, designing and updating the platforms. The amount capitalised in the period ended 30th April 2019 was £1,332k. The Board monitors the progress of major development projects, both during product development and after launch. Further analysis of development expenditure and amortisation of development costs can be found in note 13.

Going concern

The financial statements have been prepared on the going concern basis. The directors have reviewed the group's forecast cash position and continued covenant compliance. In addition to this, the directors have received confirmation that the investment vehicle used by Montagu Private Equity will not seek repayment, for a period of at least 12 months from the date on which these accounts are signed, of the investment made as part of its acquisition of the group in July 2018. The directors have concluded that, based on the above, the group and company will continue to be able to meet its liabilities as they fall due for a period of at least 12 months from the date of the approval of these financial statements.

Dividends

No dividends were proposed, paid or received during the year.

Directors' report (continued)

Financial Risk Management
The group's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange rates, interest rate cash flow risk, credit risk and liquidity risk. The group has in place a risk management programme that seeks to limit any adverse effects on the financial performance of the group.

Foreign exchange risk
The group is exposed to movements in foreign exchange rates as a result of transactions with customers and suppliers outside the UK. The group manages the foreign exchange rate risk associated with the whole group by maintaining appropriate cash balances in various currencies to meet the cash needs across the group.

Interest rate risk
The business is funded by a combination of debt from third party banks, shareholder loans and equity. The group has mitigated the risk of rising interest rates by entering into an interest rate capping instrument. Interest rates on debt provided by shareholders are fixed and don't therefore fluctuate with LIBOR, eliminating any risk of increased interest charges on this element of debt funding.

Credit risk
In order to manage credit risk with customers, the directors set credit limits based on a combination of trading, payment history, market knowledge and third party credit references. Credit limits are reviewed on a regular basis in conjunction with customer's debt ageing and collection history.

Liquidity risk
The company manages its liquidity position with the objective of maintaining the ability to fund commitments and repay liabilities in accordance with their required terms. The financing of operations is managed at a group level.

Directors
The Company has purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors. The policy permitted by the Articles of Association gives the directors the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006.

The directors of the company who were in office during the period and up to the date of signing the financial statements unless otherwise stated were:

Edward Jonathan Tymms Shuckburgh	- appointed 11 July 2018
Alexander Borut Bokhove	- appointed 11 July 2018
Oliver Robert Stewart Tucker	- appointed 02 April 2019
Richard Miller	- appointed 02 April 2019

Directors' report (continued)

Employees

Our objective is to create a supportive culture in which all employees can develop their skills, advance their careers and maximise their potential. Performance reviews are completed annually to identify development and training needs for each employee. We reward employees based on their performance, potential and contribution to the success of the business.

Future developments

The strategy of the group remains focussed on growth. We'll continue to achieve this through significant organic growth and, where acquisitions add value to the group, these will also be explored. The group has offices across continental Europe and is able to offer services to customers across the globe. The group has expanded its operations through the acquisitions of M2M Blue Ventures BV in February 2019 and after the period end the acquisitions of SIMPoint BV in June 2019 and Matooma SAS in July 2019. Acquisitions will continue to be considered in the future, but we remain highly selective.

We continuously invest in our SIMPro platform, as well as in the team that supports and develops this, to ensure we offer market leading services to our customers. As set out in the Strategic Report, the directors believe the future outlook for the industry and the business remain extremely positive.

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 period. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and, of the profit or loss of the group and 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 IFRSs as adopted by the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the company financial statements, 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 group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

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

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and 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 group and company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board and signed on its behalf

Oliver Tucker
Director
Blue Holdco Limited Registered number 11459265
24 February 2020

Independent auditors' report to the members of Blue Holdco Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Blue Holdco Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30th April 2019 and of the group's loss and cash flows for the 10 month period (the "period") then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report for the period ended 30th April 2019 (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 30 April 2019; the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated and company statements of changes in equity for the period 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 group 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.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 group's and 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Independent auditors' report to the members of Blue Holdco Limited (continued)

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 period ended 30th April 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 group and company and their 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 Statement of Directors' Responsibilities set out on page 10 and 11, 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 group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or 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

Independent auditors' report to the members of Blue Holdco Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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 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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

K Stent

Katherine Stent (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
24 February 2020

Consolidated Statement of Comprehensive Income for the period ended 30th April 2019

	Note	Period ended 30th April 2019 £'000
Revenue	5	51,512
Cost of sales		(24,591)
Gross profit		**26,921**
Distribution costs		(119)
Administrative expenses		(9,107)
Exceptional operating costs	6	(9,976)
Depreciation	12	(556)
Amortisation	13	(10,725)
Total administrative expenses		(30,364)
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) before exceptional operating costs		17,695
Operating loss	7	**(3,562)**
Finance income	9	23
Finance costs	9	(33,989)
Net finance costs	9	(33,966)
Loss before income tax		**(37,528)**
Income tax credit	10	706
Loss for the period		**(36,822)**
Other comprehensive income		154
Total comprehensive expense for the period		**(36,668)**

All activities relate to ordinary operations.

The notes on pages 21 to 45 are an integral part of these consolidated financial statements.

The company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company profit and loss account. The loss for the parent company for the period was £995k.

Consolidated Statement of Financial Position as at 30th April 2019

	Note	2019 £'000
Non-current assets		
Property, plant and equipment	12	1,920
Intangible assets	13	146,004
Goodwill	14	291,493
		439,417
Current assets		
Inventories	16	511
Trade and other receivables	17	14,248
Cash and cash equivalents	18	16,934
		31,693
Total assets		471,110
Current liabilities		
Trade and other payables - amounts falling due within one year	19	(31,901)
Current income tax liabilities		(5,486)
		(37,387)
Non-current liabilities		
Trade and other payables – amount falling due after more than one year	20	(441,857)
Deferred income tax liabilities	22	(25,548)
		(467,405)
Total Liabilities		(504,792)
Net Liabilities		(33,682)
Equity		
Ordinary shares	24	8
Share premium	24	1,927
Accumulated losses		(35,617)
Total Equity		(33,682)

The notes on pages 21 to 45 are an integral part of these financial statements.

The financial statements on pages 15 to 45 were authorised for issue by the board of directors and were signed on its behalf by:

Richard Miller
Director
Blue Holdco Limited, Registered number 11459265
24 February 2020

Company Statement of Financial Position as at 30th April 2019

	Note	2019 £'000
Non-current assets		
Investments	11	764
		764
Current assets		
Trade and other receivables	17	280,113
Cash and cash equivalents	18	4,769
		284,882
Total assets		**285,646**
Non-current liabilities		
Trade and other payables: amounts falling due after more than one year	20	(284,706)
Total liabilities		**(284,706)**
Net assets		**940**
Equity		
Ordinary shares	24	8
Share premium	24	1,927
Accumulated losses		(995)
Total Equity		**940**

The notes on pages 21 to 45 are an integral part of these financial statements.

The financial statements on pages 15 to 45 were authorised for issue by the board of directors and were signed on its behalf by:

R Mill

Richard Miller
Director
Blue Holdco Limited, Registered number 11459265
24 February 2020

Consolidated Statement of Changes In Equity for the period ended 30th April 2019

	Note	Ordinary shares £'000	Share premium £'000	Accumulated losses £'000	Total equity £'000
Balance as at 11th July 2018		-	-	-	-
Shares issued in the period		8	1,927	-	1,935
Loss for the period		-	-	(36,822)	(36,822)
Other comprehensive income for the period:					
Foreign currency gain		-	-	154	154
Total comprehensive expense for the period		-	-	**(36,668)**	**(34,733)**
Transactions with owners recognised directly in equity:					
Share based payment		-	-	1,051	1,051
Total transactions with owners recognised directly in equity:		-	-	**1,051**	**1,051**
Balance as at 30th April 2019	24	**8**	**1,927**	**(35,617)**	**(33,682)**

The notes on pages 21 to 45 are an integral part of these consolidated financial statements.

Company Statement of Changes In Equity for the period ended 30th April 2019

	Note	Ordinary shares £'000	Share premium £'000	Accumulated losses £'000	Total equity £'000
Balance as at 11th July 2018		-	-	-	-
Shares issued in the period		8	1,927	-	1,935
Loss for the period		-	-	(995)	(995)
Total comprehensive expense for the period		-	-	**(995)**	**(995)**
Balance as at 30th April 2019	24	**8**	**1,927**	**(995)**	**940**

The notes on pages 21 to 45 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement for the period ended 30th April 2019

	Note	Period ended 30th April 2019 £'000
Cashflows from operating activities		
Cash generated from operations	23	4,269
Interest paid		(7,652)
Income tax paid		(596)
Net cash generated from operating activities		**(3,979)**
Cash flows from investing activities		
Cash acquired on acquisition		13,062
Acquisition of subsidiary	25	(324,535)
Settlement of debt at acquisition		(94,701)
Transaction costs		(5,369)
Payment of deferred consideration in relation to Blue Mango Ltd		(450)
Payment of deferred consideration in relation to Nucleus Networks Ltd		(761)
Purchase of property, plant and equipment	12	(231)
Purchase of intangible assets	13	(2,358)
Loans to ultimate beneficial owners		(47)
Loans repaid to related parties		(29)
Gain on EBT investment fund		4,219
Funding from shareholders		262,094
Interest received	9	23
Net cash generated from/(used in) investing activities		**(149,083)**
Cash flows from financing activities		
Proceeds from the issuance of ordinary shares		1,935
Distribution of EBT		(4,176)
Refinancing costs		(7,005)
Proceeds from borrowings	21	179,844
Net cash (used in)/generated from financing activities		**170,598**
Net increase in cash and cash equivalents		17,536
Exchange gains on cash and cash equivalents	21	(756)
Exchange differences through OCI		154
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	18	**16,934**

The notes to pages 21 to 45 are an integral part of these consolidated financial statements.

The company has elected not to show a separate cashflow under IFRS as the numbers are incorporated within the consolidated group cashflow.

Notes to the Financial Statements for the period ended 30th April 2019

1 General information

The company's principal activity is to act as an intermediate holding company and does not trade with third parties. The group, of which the company is part, is principally engaged in the provision of managed services as a Machine to Machine ("M2M") and Internet of Things ("IOT") platform provider.

The company is a private company and is incorporated and domiciled in England. The address of its registered office is Horizon, Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of both Blue Holdco Limited and the group have been prepared in accordance with International Financial Reporting Standard (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at the fair value through the profit and loss account.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimated are significant to the consolidated financial statements are disclosed in note 4.

2.1.1 Exemption from audit by parent guarantee

Under Section 479A of the Companies Act 2006, exemptions from an audit of the accounts for the period ended 30th April 2019 have been taken by the subsidiary companies stated below:

Company Name	Registered Number
PDJ (Shelf 1) Limited	07033866
Mtwom B Limited	07736150
Mtwom 1 Limited	07734719
Nucleus Networks Limited	06588701
Bluemango Technologies Limited	05923984
Cloud9 Communications Limited	07153956
Cloud9 Mobile Communications Limited	05474679
Cloud9 Mobile (SIMS) Limited	09234724

Under Section 479C of the Companies Act 2006, Blue Holdco Limited, being the parent undertaking of the above companies has given a statutory guarantee of all the outstanding liabilities to which the companies are subject at 30th April 2019.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

2 Summary of significant accounting policies (continued)

2.1.2 Changes in accounting policy and disclosures

A number of new standards and amendments to standards and interpretations have been adopted in preparing these financial statements.

IFRS 15 became effective on 1st January 2018 and replaced IAS 18 "Revenue". IFRS 15's model of revenue recognition is based upon the transfer of control rather than the transfer of risks and rewards. Wireless Logic has applied the modified retrospective model of adoption. In the consolidated accounts of WL One Holdco Limited for the previous year we stated that whilst IFRS 15 was not adopted, it was expected to have limited impact on Wireless Logic group's reported results. As described in the Strategic Report, the group's business is based around a subscription model, with monthly charges to customers. The group provides connectivity linked to data usage and access to platform-based services. The group has concluded that performance obligations are distinct, linked to specific contracts and customers benefit from these each month. Given charges are raised and revenue recognised on a monthly basis, the group hasn't had to make any significant judgements in arriving at the revenue to be recognised in the period nor had to make any modifications to the previously adopted revenue recognition policy.

IFRS 16 became effective for all accounting periods beginning on or after 1st January 2019. The group will therefore apply IFRS 16 for the year ending 30th April 2020. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The group intends to apply the exemption for low value assets and the only leases where this standard may have a material effect on the group relate to office properties used by companies within the group. The group has performed an evaluation of the expected effect of adoption on the accounting for leased assets. The Group currently estimates the effect to the financial statements for the year ended 30th April 2020 after the adoption of IFRS 16 will be an increase in both gross assets and liabilities of £1.7 million. The quantitative amount provided above is an estimate of the expected effects of the group's adoption of IFRS 16. This amount represents management's best estimates of the effects of adopting IFRS 16 at the time of the preparation of these financial statements. The actual quantitative effects of the adoption of IFRS 16 are subject to change from these estimates and such change may be significant, pending the completion of the group's assessment.

The Group adopted IFRS 9 Financial Instruments effective 1st May 2018. There has not been any impact on the Group's net results or net assets as a result of the adoption.

2.2 Going concern

The financial statements have been prepared on the going concern basis. The directors have reviewed the group's forecast cash position and continued covenant compliance. In addition to this, the directors have received confirmation that the investment vehicle used by Montagu Private Equity will not seek repayment,

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

2 Summary of significant accounting policies (continued)

2.2 Going concern (continued)

for a period of at least 12 months from the date on which these accounts are signed, of the investment made as part of its acquisition of the group in July 2018. The directors have concluded that, based on the above, the group and company will continue to be able to meet its liabilities as they fall due for a period of at least 12 months from the date of the approval of these financial statements.

2.3 Business Combinations

The cost of an acquisition is measured as the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed and equity instruments issued by the group in exchange for control of the acquired entity. The identifiable assets, liabilities and contingent liabilities of the acquired entity are measured at fair value at the acquisition date. Acquisition related costs are recognised in the profit or loss account as incurred. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognised as goodwill in the balance sheet.

2.4 Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Group and entities controlled by the Group made up to the reporting date. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The consolidated financial statements are presented in 'Pounds Sterling' (£), which is the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where settlement of such transactions take place, and from the translation at period end exchange rates where items are re-measured. Foreign exchange gains and losses resulting from the settlement of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'.

(c) Group companies

On consolidation, the assets and liabilities of the group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expenses items are translated at average exchange rates for the period. All resulting exchange differences are recognised in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Realised and unrealised exchanged differences arising are recognised in 'other comprehensive income'.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

2 Summary of significant accounting policies (continued)

2.6 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is calculated to write down the cost of the assets over their estimated useful lives, using the straight-line method, on the following basis:

Land	0% per annum
Property	4% per annum
Leasehold improvements	33% per annum
Fixtures and fittings	33% per annum
IT equipment	33% per annum
Vehicles	20% per annum

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Any gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the Statement of Comprehensive Income.

2.7 Intangible assets

Goodwill arising on consolidation, as defined in the policy for business combinations, is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses. Impairment testing is carried out at least annually, or more frequently if there is an indication that the asset may be impaired, by references to the discounted future cash flows of the cash generating unit to which the goodwill is attributed. Impairment losses recognised are not written back. On disposal, the attributable amount of goodwill is included in the calculation of gain or loss disposal.

The intangible asset of "Customer relationships" arises on acquisition and the amortisation is calculated to write down the value by equal annual instalments over periods of between 4 and 12 years.

Trade name and proprietary software also arise on acquisition and the amortisation is calculated to write down the value by equal annual instalments over periods of between 5 and 15 years.

Subscriber acquisition assets relate to acquisitions of customer lists which are valued at cost. Amortisation is calculated to write down the cost of customer connections by equal annual instalments over the initial contract period, being 3 years.

Development costs are capitalised only if they meet all the criteria set out in IAS 38 for capitalising such costs. The costs directly attributable to development are capitalised and then amortised on a straight-line basis, over the expected useful life which is typically 3 years.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

2 Summary of significant accounting policies (continued)

2.7 Intangible assets (continued)
Computer software comprises computer software licenses purchased from third parties and capitalised based on the costs incurred to acquire and bring into use the specified software. Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life from the date the software is available for use, typically 3 years.

2.8 Impairment of non-financial assets
Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating unit). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.9 Derivative financial instruments and hedging activities
The group had a single derivative financial instrument, being an interest rate cap agreement. This agreement did not qualify for hedge accounting under IAS 39 and no fair value statement is required given the nature of the cap arrangement.

2.10 Investment in subsidiary
The investment in the subsidiary undertaking is recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

2.11 Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

2.12 Trade and other receivables
Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

2.13 Impairment of financial assets
The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

2 Summary of significant accounting policies (continued)

2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.15 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.

2.16 Trade payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or as part of intercompany transactions. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down.

2.18 Current and deferred income tax

Tax expenses comprise current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group and company operate and generate taxable income. Management periodically evaluates positions taken in group and company tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

2 Summary of significant accounting policies (continued)

2.18 Current and deferred income tax (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes assets and liabilities relate to income taxes, levied by the same taxation authority, on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Revenue recognition

Revenue is the total amount receivable by the company for goods and services provided, excluding VAT and trade discounts. Revenue on airtime is recognised as incurred by customers. Revenue is principally derived from the company's principal activities of M2M and IOT managed services, which the directors consider comprise a single class of business. A very small amount of revenue (2%) is derived from the sale of related hardware.

2.20 Interest income

Interest income is recognised using the effective interest method. If any loan and receivable was impaired, the group would reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

2.21 Lease contracts

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

2.22 Exceptional Items

The company classifies as exceptional items certain charges that are not part of the indicative underlying trading result of the business, including one-off and non-recurring items, such that they have a material impact on the company's financial results. These are disclosed separately to provide further understanding of the financial performance of the company accordingly.

2.23 Share-based payments

In accordance with IFRS 2 'Share-based Payment', the fair value of shares held by employees has been estimated at the date of their issue using a future earnings valuation model. This is accounted for as an equity settled share-based payment scheme. The related charge is recognised on a straight line basis over the vesting period as an exceptional cost in the Statement of Comprehensive Income, with a corresponding increase in equity.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

3 Financial risk management

3.1 Group financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest risk) and credit risk. The group's overall risk management programme focuses on the mitigation of unpredictability.

(a) Market risk

(i) Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Danish Krone and Euros. Foreign exchange risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations. The group benefits from a natural hedge in that in both Denmark and Continental Europe it has both revenues and costs in local currency. Furthermore, the acquisitions in Denmark and The Netherlands have been funded by borrowing in the same currency as the income stream acquired, namely Danish Krone and Euros.

(ii) Cash flow interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates exposes the group to cash flow interest rate risk which is partially offset by cash held at variable rates.. The group manages its cash flow interest rate risk through an interest rate cap agreement.

(iii) Credit risk

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances where each local entity is responsible for managing and analysing the credit risk for each of their new customers before standard contracts are offered. Credit risk arises from cash and cash equivalents and outstanding receivables. See note 17 for further disclosure on credit risk.

3.2 Capital management

The group's objectives when managing capital and borrowings include safeguarding the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital and borrowing on the basis of the leverage ratio. During the period ended 30th April 2019, the group's strategy was to target a closing leverage ratio of less than 6.75x. On 30th April 2019 the leverage ratio was:

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

3.2 Capital management (continued)

	Period ended 30th April 2019 £'000
Total borrowings (note 21)	180,592
Less: Cash and cash equivalents (note 18)	(16,934)
Net debt	163,658
EBITDA – see note below	26,118
Leverage ratio	6.3

The EBITDA used in the calculation above is based on the 12 months ending 30th April 2019 and follows the covenant EBITDA definition in the facilities agreement which differs from the standard definition of EBITDA.

4 Critical accounting estimates and judgements

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

(a) Impairment of investments in subsidiaries – parent company only
Impairment reviews of investments in subsidiaries are undertaken if there is an impairment trigger in accordance with IAS 36. A provision is made for impairment should this arise from the impairment review.

(b) Estimated impairment of goodwill and other intangible assets
The group tests at the end of every accounting period whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.7. The recoverable amounts of cash-generating units have been *determined based on value-in-use calculations. These calculations require the use of estimates* (note 14).

(c) Impairment of trade receivables
The company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the nature of the charges, the ageing profile of receivables and historical experience in order to develop an expected credit loss. See note 17 for the net carrying amount of the receivables and associated impairment provision.

(d) Share-based payment

The group measures share based payments at fair value at their grant date in accordance with IFRS 2 'Share-based Payment'. The group calculates the fair value of the shares using a future earnings model, which

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

4 Critical accounting estimates and judgements (continued)

estimates future EBITDA. The charge recognised in the Statement of Comprehensive Income is therefore inherently linked to this forecast and gives rise to a source of estimation uncertainty.

5 Revenue

The group is managed on both a consolidated and individual company basis in terms of reporting to the Chief Executive Officer and the Board for the purposes of assessment of performance. Analysis of revenue by geography:

Group	Period ended 30th April 2019
Geographical source	£'000
UK	36,910
France	2,802
Germany	5,942
Spain	1,059
Denmark	2,277
Netherlands	2,522
	51,512

Included within revenue is £1,125k of deferred revenue released in the period.

6 *Exceptional Items*

The company classifies as exceptional items certain charges that are not part of the indicative underlying trading result of the business, including one-off and non-recurring items, such that they have a material impact on the company's financial results. These are disclosed separately to provide further understanding of the financial performance of the company accordingly. During the period, the exceptional items as detailed below have been included in administrative expenses in the income statement.

Group	Period ended 30th April 2019 £'000
Exceptional operating costs relating to mergers and acquisitions activity	(8,922)
Employee benefit trust distribution in the period	(4,257)
Gain on employee benefit trust in the period	4,219
Share base payment charge	(1,051)
Exceptional expenses relating to employee benefit trust	(193)
Release of earn out provisions	228
	(9,976)

As part of Montagu's acquisition of the group in July 2018, management purchased shares in the group's ultimate parent. The shares were valued on the date of their issue using a future earnings model, which includes forecast EBITDA as a critical estimate. The resulting expense is recognised in accordance with IFRS 2 as an equity settled share-based payment charge. This is being spread over the estimated vesting period of four years.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

6 Exceptional Items (continued)

The exceptional costs relating to mergers and acquisitions during the period ended 30th April 2019 include costs relating to the acquisition of the group by funds managed by Montagu Private Equity LLP and a number of potential acquisitions explored during this period. Significant costs include professional fees in relation to due diligence and legal fees. The Group has invested in a Value Creation Plan (VCP) as part of the groups strategic development and the costs associated with this are treated as exceptional.

7 Operating loss

Operating loss has been arrived at after charging:

Group	Period ended 30th April 2019 £'000
Exceptional administrative expenses (note 6)	9,976
Depreciation of tangible fixed assets (note 12)	556
Amortisation of intangible assets (note 13)	10,725
Marketing costs	387
Operating lease charges	430
Fees payable to company's auditors and its associates for the audit of parent company and consolidated financial statements	47
Fees payable to company's auditors and its associates for other services.	
- The audit of company's subsidiaries	157
- Other assurance related services	620
- Tax advisory services	519

8 Employees and directors

The average monthly number of persons (including executive directors) employed by the group for the period was:

Total Employees By department	2019 No.
Sales	83
Technical	52
Finance	19
Total Employees	154

Employees

Group Salaries	Period ended 30th April 2019 £'000
Wages and salaries	4,800
Social security costs	692
Staff costs	5,492
EBT costs	4,257
Share based payment charges	1,051
Staff costs including EBT and share based payment charges	10,800

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

8 Employees and directors (continued)

Directors

The directors' emoluments were as follows:

	Period ended 30th April 2019 £'000
Total aggregate emoluments	258

Highest paid director

The highest paid directors' aggregate emoluments for the period ended 30th April 2019 were £143k. Further information regarding key management can be found under note 28, related party transactions.

9 Interest income and expense

Finance income

	Period ended 30th April 2019 £'000
Bank interest income	23
Total finance income	23

Finance expense

	Period ended 30th April 2019 £'000
Interest paid on bank borrowings	(8,769)
Amortisation of debt related transaction costs	(611)
Interest payable on parent group borrowings	(24,576)
Other interest paid	(33)
Total finance expense	**(33,989)**

Net finance cost

	Period ended 30th April 2019 £'000
Interest income	23
Interest expense	(33,989)
Total finance cost	**(33,966)**

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

10 Income tax expense

Tax expense included in profit or loss

Group	Period ended 30th April 2019 £'000
Current tax:	
Current tax on UK profits for the period	101
Foreign tax suffered	962
Total current tax	1,063
Deferred tax (note 22)	
Current year	(1,307)
Effect of changes in tax rates	(462)
Total deferred tax	(1,769)
Income tax credit	(706)

The tax on the group's losses before tax differs from the theoretical amount that would arise using the standard rate of UK corporation tax of 19% as follows:

	Period ended 30th April 2019 £'000
Loss before tax	(37,528)
Tax calculated at standard rate of UK corporation tax of 19.0%	(7,130)
Effects of:	
- Expenses not deductible for tax purposes	1,884
- Deferred tax not recognised	4,678
- Tax rate changes	(311)
- Overseas tax rates	173
Tax credit	(706)

Factors that may affect future tax charges

With effect from 1st April 2017, the standard rate of corporation tax in the UK was 19%, therefore 19% has been used in the reconciliation of the tax expense. The rate is due to reduce to 17% from 1st April 2020 and this is reflected in the measurement of deferred tax balances at the balance sheet date within these financial statements.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

11 Investments

	Company
	2019
Cost and Net Book Value	£'000
As at 11th July 2018	-
Investment in the period	764
As at 30th April 2019	764

The company directly holds 100% of the share capital of the following company.

Company name	Nature of the business	Registered Address	Class	%
Blue Midco Limited	Intermediate holding company	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100

The company indirectly holds share capital in the following companies.

Company name	Nature of the business	Registered Address	Class	%
Blue Bidco Limited	Intermediate holding company	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
WL One Manco Limited	Intermediate holding company	22 Grenville Street, St Helier, Jersey, JE4 8PX	Ordinary	100
WL One Holding Limited	Intermediate holding company	22 Grenville Street, St Helier, Jersey, JE4 8PX	Ordinary	100
WL One Holdco Limited	Intermediate holding company	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
WL One Midco 1 Limited	Intermediate holding company	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
WL One Midco 2 Limited	Intermediate holding company	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
WL One Bidco Limited	Intermediate holding company	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
Mtwom 1 Limited	Intermediate holding company	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
Mtwom B Limited	Intermediate holding company	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
PDJ (Shelf 1) Limited	Intermediate holding company	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Deferred Ordinary A Ordinary B	100
Wireless Logic Group Limited	Intermediate holding company	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary Ordinary non-voting	100
Wireless Logic Limited	M2M Managed service provider	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
Wireless Logic GmbH	M2M Managed service provider	Am Hochacker 4, 85630 Grasbrunn, Germany	Ordinary	100
Wireless Logic SAS	M2M Managed service provider	Parc de la Duranne, 255 Avenue de Gaililee, 13857 Aix-En-Provence, Cedex3, France	Ordinary	100
Wireless Logic SL	M2M Managed service provider	C/Jose Luise Goioage 32, Oficina 103, 48950 Erandio, Spain	Ordinary	100
Wireless Logic Nordic ApS	Intermediate holding company	Valdemarshaab 11,1., 4600 Koge, Denmark	Ordinary	100
SimService A/S	M2M Managed service provider	Valdemarshaab 11,1 , 4600 Koge, Denmark	Ordinary	100

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

11 Investments (continued)

Company name	Nature of the business	Registered Address	Class	%
Nucleus Networks Limited	Hardware and services provider	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
Bluemango Technologies Limited	IOT Managed service provider	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
Cloud9 Communications Limited	IOT Managed service provider	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
Cloud9 Mobile Communications Limited	IOT Managed service provider	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
Cloud9 Mobile (SIMS) Limited	IOT Managed service provider	Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ	Ordinary	100
Mdex GmbH	M2M Managed value added services and SMS provider	Bäckerbarg 6, 22889 Tangstedt, Germany	Ordinary	100
IC3S International Holding GmbH	M2M Managed value added service provider	Bäckerbarg 6, 22889 Tangstedt, Germany	Ordinary	100
Wireless Logic Holding BV	M2M Managed value added services and SMS provider	Josink Maatweg 43, 754 PS Enschede, Nederland	Ordinary	100
M2M Blue Ventures BV	M2M Managed value added service provider	Josink Maatweg 43, 754 PS Enschede, Nederland	Ordinary	100
M2M Blue BV	M2M Managed value added services and SMS provider	Josink Maatweg 43, 754 PS Enschede, Nederland	Ordinary	100
BSS BV	M2M Managed value added service provider	Josink Maatweg 43, 754 PS Enschede, Nederland	Ordinary	100

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

12 Property, plant and equipment

Group	Land £'000	Property £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Vehicle £'000	IT equipment £'000	Total £'000
Cost or valuation							
At 11th July 2018		-	-	-	-	-	-
On acquisition of the Wireless Logic group	161	433	29	93	63	1,048	1,827
On acquisition of M2M Blue BV	-	-	-	-	25	388	413
Additions	-	-	-	19	-	212	231
Exchange differences	(1)	7	-	(1)	-	-	2
At 30th April 2019	160	440	29	111	88	1,648	2,476
Accumulated depreciation							
At 11th July	-	-	-	-	-	-	-
Charge for the period	-	44	9	42	33	428	556
At 30th April 2019	-	44	9	42	33	428	556
Net book amount							
At 30th April 2019	160	396	20	69	55	1,220	1,920
At 11th July 2018	-	-	-	-	-	-	-

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

13 Intangible assets

Group	Customer Relationships £'000	Trade Name £'000	Software £'000	Subscriber acquisition £'000	Software £'000	Development £'000	Total £'000
Cost or valuation							
At 11th July 2018	-	-	-	-	-	-	-
On acquisition of the Wireless Logic Group Ltd	77,491	11,328	51,116	1,186	424	1,654	143,199
On acquisition of M2M Blue BV	9,600	842	632	-	101		11,176
Additions	-	-	-	941	85	1,332	2,358
Exchange differences	-	-	-	-	-	(4)	(4)
At 30th April 2019	**87,091**	**12,170**	**51,748**	**2,127**	**610**	**2,983**	**156,729**
Accumulated amortisation							
At 11th July 2018	-	-	-	-	-	-	-
Charge for the period	5,828	620	2,690	619	169	799	10,725
At 30th April 2019	5,828	620	2,690	619	169	799	10,725
Net book amount							
At 30th April 2019	81,263	11,550	49,057	1,508	442	2,184	146,004
At 11th July 2018	-	-	-	-	-	-	-

Intangible assets amortisation is recorded in administrative expenses in the Statement of Comprehensive Income.

14 Goodwill

The following is a summary of goodwill:

	25th July 2018 Opening £'000	Acquisition £'000	30th April 2019 Closing £'000
On the acquisition of:			
Wireless Logic group	-	276,573	276,573
M2M Blue	-	14,920	14,920
	-	291,493	291,493

During the period the group acquired the Wireless Logic group, which included the two Jersey based holding entities and M2M Blue BV in The Netherlands. Further details relating to these acquisitions can be found in note 25 'Business combinations'.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

14 Goodwill (continued)

Impairment testing

In accordance with IAS 38, goodwill has been reviewed for impairment. The group has performed value in use calculations, at the Cash Generating Unit level, in order to assess the future cash flows expected to be generated by these assets. In addition to this, the group considered Montagu's acquisition of the group in July 2018 which has provided a basis upon which to assess the fair value less costs to sell of the group. The valuation of the business at that date indicates that significant headroom exists and run-rate EBITDA has only increased from this point, therefore based on the evaluation performed, no impairment is required in the period.

Key assumptions applied in the value in use models are:

- Discount rates;
- Expected revenue growth

15 Financial instruments

The company has no financial instrument measured at fair value through profit or loss account.

	2019
	£'000
Derivative financial instruments	508

Derivative financial instruments

The group had a single financial instrument being an interest rate cap agreement during the period. The cost of this instrument is amortised over the life of the agreement. The asset, representing the value of the agreement, is amortised over the life of the agreement against interest costs on the borrowing to which the cap relates. The agreement covered the majority of the third party unitranche debt provided by financial institutions. The cost of this debt is linked to LIBOR and as such the agreement protects the group against interest costs rising significantly, in the event LIBOR increased. The agreement did not expose the group to any credit risk. The amortised cost of £508k detailed above is included in prepayments (note 17).

16 Inventories

	2019
Group	£'000
Finished goods and goods for resale	511

The cost of inventories recognised as an expense and included in cost of sales amounted to £1,384k. There were inventory write downs during the year of £12k. The directors believe that there is no significant difference between the net book value and replacement cost of inventories held.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

16 Inventories (continued)

The companies in the group which hold stock are Wireless Logic Limited, Sim Service A/S, Nucleus Networks Limited, Cloud9 Mobile Communications Limited and Mdex GmbH.

17 Trade and other receivables

	Group 2019 £'000	Company 2019 £'000
Trade receivables	9,851	-
Amounts owed by group undertakings	-	280,113
Other receivables	2,008	-
Prepayments and accrued income	2,389	-
	14,248	280,113

Amounts owed by group undertakings are unsecured and repayable on demand.
Other receivables include an amount of £1.0m from those who advised the group in relation to the deductibility of interest on shareholder loans, where a prior year tax liability to HMRC for £1.3m has been provided for.

Trade receivables

The credit terms offered to customers vary and will be influenced by size, trading history and credit rating. Our standard payment terms for customers are 14 days from the date of invoice.

Age analysis of trade receivables

Group	Gross 2019 £'000	Allowance 2019 £'000
Current	7,120	(113)
Overdue 1 – 30 days	2,017	(73)
Overdue 31 – 60 days	593	(44)
Overdue 61 - 90 days	712	(49)
Overdue by more than 91 days	1,426	(1,738)
	11,868	(2,017)

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Credit Risk

The exposure to credit risk at the end of the period is representative of the exposure during the period. The group's credit risk is primarily attributable to its trade receivables. All new customers are credit checked using external credit rating agency reports, audited financial accounts (where required) and bank and trade references. Provisions are made against receivables using IFRS9's expected credit loss model.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

18 Cash and cash equivalents

	Group 2019 £'000	Company 2019 £'000
Cash at bank and in hand	16,934	4,769
	16,934	4,769

19 Trade and other payables – amounts falling due within one year

	Group 2019 £'000
Trade payables	(4,990)
Social security and other taxes	(654)
Accruals and deferred income	(6,198)
Bank revolving credit facility (note 21)	(21,088)
Transaction costs	1,024
	(31,906)

The company has no short term payables as at 30th April 2019.

20 Trade and other payables – amounts falling due after more than one year

	Group 2019 £'000	Company 2019 £'000
Bank facilities (note 21)	(159,504)	-
Deferred and contingent consideration	(3,350)	-
Transaction costs	5,370	-
Loan notes owed to parent group undertakings	(284,363)	(284,706)
	(441,847)	(284,706)

The directors consider that the carrying amount of trade payables approximates to their fair value. The deferred consideration included above relates to the earn-out liabilities due to the vendors of Nucleus Networks Limited and M2M Blue BV. The earn-out liabilities are linked to the future trading performance of Nucleus Networks Limited and M2M Blue BV, and the actual amount paid may vary from the provision disclosed above. We have fair valued the contingent consideration liability shown above, using discounted cash flow methodology. The transaction costs represent the capitalised arrangement fees related to the third party debt funding put in place in July 2018 as part of the acquisition of the group.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

21 Loans and other borrowings

	2019
	£'000
Opening bank facilities	-
Additions	(179,844)
PIK Interest	(1,504)
Exchange differences	756
Closing bank facilities	(180,592)

The bank facilities comprised several unitranche facilities which carry interest at market rates. The facilities were implemented in July 2018. The facilities do not have scheduled periodic repayments but have a repayment date which is from 5.5 years to 7 years from the date of the agreement. The revolving credit facility represents the short-term finance facilities from the bank, which carry the interest at market rates. The directors consider that the carrying amount of borrowing approximates to their fair value. PIK interest refers to the option of compounding the interest on borrowings as opposed to a cash payment.

22 Deferred income tax liabilities

	2019
Deferred tax	£'000
At beginning of period	-
Movement arising from business combinations	27,317
Release of temporary differences	(1,769)
At end of period	25,548

Deferred tax liabilities	
Deferred tax liabilities in respect of acquired intangible assets	25,565
Deferred tax assets in respect of tangible assets	(17)
Total deferred tax liabilities	25,548

£25,548k of the deferred tax liabilities are due after more than one year. A potential deferred tax asset of £6,971k has not been recognised in respect of carried forward finance expenses due to uncertainty over their future utilisation.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

23 Cash generated from operations

	2019
	£'000
Loss before income tax	(37,528)
Adjustment for:	
- Depreciation (note 12)	556
- Amortisation of Software, Subscriber acquisition and Development (note 13)	10,725
- Inventory movement	84
- Debtors movement	836
- Creditors movement	(4,370)
- Interest income	(23)
- Interest expense	33,989
Cash generated from operations	4,269

24 Share capital

Company ordinary shares of £0.01 each.

Allotted and fully paid	**Number of shares No.**	**Ordinary Shares £'000**	**Share Premium £'000**	**Total £'000**
On Incorporation	**1**	**-**	**-**	**-**
Allotted as at 25th July 2018	764,450	8	756	764
Allotted as at 1st February 2019	1	-	1,171	1,171
Allotted and fully paid as at 30th April 2019	**764,452**	**8**	**1,927**	**1,935**

25 Business combinations

Blue Holdco Limited established a series of subsidiary companies in order to effect the acquisition of the Wireless Logic group on the 25th July 2018 from the management team and funds managed by CVC Partners LLP. Prior to the acquisition, the holding company within the Wireless Logic group was WL One Holdco Limited. This was acquired by Blue Bidco Limited, a subsidiary of Blue Holdco Limited on the 25th July 2018. The total purchase consideration was £308.6m.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

25 Business combinations (continued)

Net assets acquired	Carrying Values pre acquisition £'000	Fair Value Adjustment £'000	Provisional fair value £'000
Fixed assets	1,827	-	1,827
Intangible assets	67,197	76,002	143,199
Current assets	12,419	-	12,419
Cash and cash equivalents	12,912	-	12,912
Current liabilities	(19,594)	-	(19,594)
Tax provision	(3,999)	-	(3,999)
Bank debt	(90,258)	-	(90,258)
Debt transaction costs	2,217	(2,217)	-
Deferred tax liability	(11,567)	(12,954)	(24,521)
	(28,846)	60,831	31,985
Goodwill			276,573
Total consideration			308,558
Satisfied by:			
Cash paid on completion			308,558

Intangible assets acquired as part of the acquisition can be analysed as follows:

	Carrying Values pre acquisition £'000	Fair Value Adjustment £'000	Provisional fair value £'000
Software capitalised as part of goodwill	27,309	23,807	51,116
Trade Name	5,895	5,433	11,328
Customer Relationships	30,729	46,762	77,491
Other Software	424	-	424
Subscriber	1,186	-	1,186
Development	1,654	-	1,654
	67,197	76,002	143,199

Acquisition costs have been charged to exceptional items in the income statement or where debt related capitalised against the related debt liability.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

25 Business combinations (continued)

On 1st February 2019, the group acquired 100% of the share capital of M2M Blue BV, a services and hardware supplier for Machine to Machine ("M2M") and Internet of Things ("IOT") industry. The total purchase consideration payable of £18,491k comprised an initial payment of £15,977k and a contingent consideration of £8,058k linked to a profit based earn out arrangement. At the time of the acquisition the contingent consideration had a fair value of £2,514k.

Net assets acquired	Carrying Values pre acquisition £'000	Fair Value Adjustment £'000	Fair value £'000
Non-current assets	514	11,074	11,588
Current assets	2,149	-	2,149
Cash and cash equivalents	150	-	150
Trade and other payables	(6,474)	-	(6,474)
Corporation tax	(1,106)	-	(1,106)
Deferred tax	-	(2,736)	(2,736)
Net assets	(4,767)	8,338	3,571
Goodwill			14,920
Total consideration			18,491

Satisfied by	Fair Value at acquisition £'000
Cash paid on completion	15,977
Deferred contingent consideration	2,514
Fair value of consideration	18,491
Goodwill	14,920

Intangible assets acquired as part of the acquisition can be analysed as follows:	Fair value £'000
Trade Name	842
Customer Relationships	9,600
Development	632
	11,074

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

26 Capital and other commitments

As at 30th April 2019 the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases expiring as follows.

	2019
	£'000
Not later than one year	681
Later than one year and not later than five years	2,016
Later than five years	614

27 Dividends

No dividends were paid or proposed during the period.

28 Related party transactions

During the period Blue Holdco Limited paid £68k of interest to Montagu Funding (V) Limited in respect of a bridging loan at acquisition. This amount is included in note 9. The bridging loan was repaid on 25 July 2018.

Blue Holdco Limited did not make any purchases during the period ended 30th April 2019 from Montagu Private Equity LLP, and as at 30th April 2019 there was nothing due to Montagu Private Equity LLP.

During the period Blue Holdco Limited issued £243,485k of unsecured loan notes to Blue Aggregator Limited. Accrued interest for the period amounted to £22,830k and the balance due on the loan notes as at 30th April 2019 was £266,316k. These amounts are included in note 9 and note 20 respectively.

During the period Blue Holdco Limited issued £17,693k of unsecured loan notes to Blue Topco Limited. Accrued interest for the period amounted to £1,672k and the balance due on the loan notes as at 30th April 2019 was £19,556k. These amounts are included in note 9 and note 20 respectively.

Key management compensation

Key management includes board directors (executive and non-executive), and the Company Secretary. The compensation paid or payable to key management for employee services is shown below:

	2019
	£'000
Salaries and other short-term employee benefits	633
Total	633

The above relates to directors of Blue Holdco Limited.

Notes to the Financial Statements for the period ended 30th April 2019 (continued)

29 Controlling parties

The immediate and ultimate parent undertaking is Blue Topco Limited (company number: 126820), a company incorporated in Jersey.

As at the 30th April 2019 the directors considered the controlling parties to be funds managed by Montagu Private Equity LLP.

30 Events after the reporting period

As set out in the Strategic report, the group has acquired two businesses since the 30th April 2019. SIMPoint BV in The Netherlands was acquired in June 2019 and Matooma SAS in France was acquired in July 2019. Both these businesses are market leading operators within their regions and provide services very similar to Wireless Logic to a wide range of customers. The acquisitions have been funded from a combination of cash and bank facilities. They add, in aggregate, approximately 60 people to the group's headcount and will make a material contribution to the group's future revenue and EBITDA.

As set out in the Directors' report, the group will continue to look at growing both organically and by acquisition, although in relation to the latter the group remains highly selective.