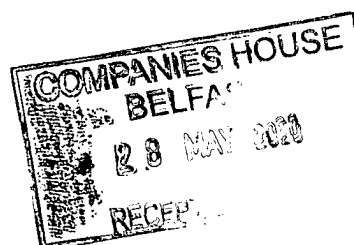


# Cobra Bidco Limited

Annual report and financial statements

Year ended 31 December 2019

Company registration number: NI632949



# Cobra Bidco Limited

## Annual report and financial statements

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# Cobra Bidco Limited

## Directors and other information

### Directors

Mr J Darragh  
Mr G Adams  
Mr M Rogerson

### Registered office

Pilot Point  
21 Clarendon Road  
Belfast  
BT1 3BG

### Auditor

KPMG  
The Soloist Building  
1 Lanyon Place  
Belfast  
BT1 3LP

### Bankers

HSBC Bank plc  
4<sup>th</sup> Floor  
5 Donegall Square South  
Belfast  
BT1 2BE

### Solicitors

Pinsent Masons Belfast LLP  
1 Lanyon Place  
Belfast  
BT1 3LP

### Company registration number

NI 632949

# Cobra Bidco Limited

## Directors' report

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

### Results and dividends

The results for the financial year are reported on page 9 of the financial statements. The directors have not recommended a dividend (2018: £Nil).

### Directors

The directors who held office during the year were:

Mr J Darragh  
Mr G Adams  
Mr M Rogerson (appointed on 25 January 2019)

### Political contributions

The Company made no political contributions nor incurred any political expenditure in the year ended 31 December 2019 (2018: £Nil).

### Future developments

The directors do not envisage any change in the activity of the Company for the foreseeable future.

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

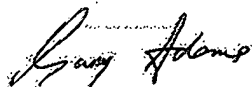
### Events after the reporting date

The Directors are monitoring developments in relation to the COVID 19 pandemic. Whilst the Directors believe that this has no direct impact on the Company, to the extent that the pandemic and associated market slowdown impacts on the Company's subsidiary undertakings this may impact on the ultimate valuation and amount realised from the financial assets of the Company. In addition, it may have financial impacts on other group undertakings and hence the collectability of the Company's receivable balances at the balance sheet date that are due from other group undertakings. While there is still significant uncertainty in that regard and any financial impact is not yet quantifiable, the Directors continue to evaluate the situation and are confident that the Company will be in a strong position to respond to the resulting challenges. There have been no other significant events subsequent to year end that would require adjustment or disclosure in these financial statements.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG will therefore continue in office.

By order of the board



Mr G Adams  
Director

20 May 2020

# Cobra Bidco Limited

## Strategic report

### Business review

#### *Principal activities*

The principal activity of the Company is serving as a holding entity which, through wholly owned subsidiary companies, provide finance and management services for its operating subsidiaries Totalmobile Limited and Totalmobile Solutions Limited (collectively, the "Totalmobile Group").

The principal activity of Totalmobile Group is the development and sale of computer software and related services.

#### *Review of business*

The results for the Company show a loss before taxation of £5,184,489 (2018: loss of £1,136,574). No dividends were paid in the year (2018: £Nil).

#### *Key performance indicators*

The key performance indicators for the Company are highlighted in the table below:

	2019	2018
Net liabilities	(£3,717k)	(£619k)

#### *Principal risks and uncertainties*

The principal risk faced by the Company would be an inability to repay senior loans as they fall due. The Company carefully manages repayment expectations to ensure they align with the company repayment strategy. This strategy has been communicated and approved by all loan holders.

#### *Financial risks*

The Company's activities expose it to a number of financial risks including credit risk, market risk and liquidity risk.

The board reviews and agrees policies for the prudent management of these financial risks as follows:

##### *Credit risk*

The Company's credit risk relates to the recoverability of monies lent to Group companies. Funds generated from the repayment of these monies are used to finance the Company's payment obligations. The Company's credit risk is subject to performance of the underlying subsidiary trading companies. There have been no events of default since inception of the facilities and based on current forecasts and projections of subsidiary undertakings the Company considers such risk to be minimal.

##### *Market risk*

Interest rate risk - The Company is exposed to interest rate risk on loans and borrowings and does not hedge this variable interest rate exposure.

# Cobra Bidco Limited

## Strategic report *(continued)*

### Principal risks and uncertainties *(continued)*

#### **Financial risks** *(continued)*

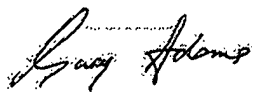
##### *Liquidity risk*

The Company monitors its forecasts to ensure it has sufficient cash to meet its commitments under borrowing facilities. Such forecasting takes into consideration the Company's debt financing plan (including the recoverability of monies lent to Group companies) and covenant compliance requirements on its borrowings. The maturity profile is disclosed in note 11.

##### *Covid-19*

The company has considered the potential impacts of the Covid-19 virus on the operations of the business and based on the actions taken to mitigate the risk, the current financial position and the continued support of its parent company it is satisfied that the current situation does not impact on the use of the going concern assumption in the preparation of the financial statements.

By order of the board



Mr G Adams  
*Director*

20 May 2020

Pilot Point  
21 Clarendon Road  
Belfast  
BT1 3BG

# Cobra Bidco Limited

## Statement of directors' responsibilities in respect of the directors' report, the strategic report and the financial statements

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

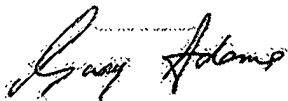
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



Mr G Adams  
Director

20 May 2020



**KPMG**  
**Audit**  
The Soloist Building  
1 Lanyon Place  
Belfast BT1 3LP  
Northern Ireland

## Cobra Bidco Limited

### Independent auditor's report to the members of Cobra Bidco Limited

#### Report on the audit of the financial statements

We have audited the financial statements of Cobra Bidco Limited ('the Company') for the year ended 31 December 2019 set out on pages 9 to 23, which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the accompanying 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 year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

#### *We have nothing to report on going concern*

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.





## Cobra Bidco Limited

### Independent auditor's report to the members of Cobra Bidco Limited (*continued*)

#### ***Other information***

The directors are responsible for the other information presented in the annual report together with the financial statements. The other information comprises the information included in the strategic report the directors' report. The financial statements and our auditor's report thereon do not comprise part of 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 as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information:

- we have not identified material misstatements in the directors report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

#### ***Matters on which we are required to report by exception***

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

#### ***Respective responsibilities and restrictions on use***

##### ***Responsibilities of directors for the financial statements***

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 including being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



## Cobra Bidco Limited

### Independent auditor's report to the members of Cobra Bidco Limited (*continued*)

#### ***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 fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### ***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

**John Poole (Senior Statutory Auditor)**  
**for and on behalf of KPMG, Statutory Auditor**  
The Soloist Building  
1 Lanyon Place  
Belfast  
BT1 3LP

20 May 2020

# Cobra Bidco Limited

## Income statement and statement of other comprehensive income for the year ended 31 December 2019

	Note	2019 £	2018 £
Finance expense	6	(4,817,860)	(1,194,474)
<b>Net finance expense</b>		<b>(4,817,860)</b>	<b>(1,194,474)</b>
Administration expense		(3,175,554)	(2,082,417)
Other income	2	2,644,510	2,140,317
<b>Loss before taxation</b>	3	<b>(5,348,904)</b>	<b>(1,136,574)</b>
Tax on loss	7	164,415	(56,361)
<b>Loss for the financial year</b>		<b>(5,184,489)</b>	<b>(1,192,935)</b>
<b>Other comprehensive loss</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(5,184,489)</b>	<b>(1,192,935)</b>

All reported losses arise from continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

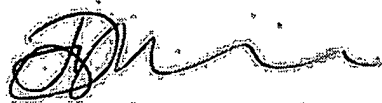
# Cobra Bidco Limited

## Balance sheet

as at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	8	34,732,928	34,732,928
<b>Current assets</b>			
Debtors	9	11,983,524	1,263,327
<b>Creditors: amounts falling due within one year</b>	10	(29,122,423)	(28,328,015)
<b>Net current liabilities</b>		(17,138,899)	(27,064,688)
<b>Total assets less current liabilities</b>		17,594,029	7,668,240
<b>Creditors: amounts falling after one year</b>	11	(21,310,908)	(8,287,630)
<b>Net liabilities</b>		(3,716,879)	(619,390)
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Profit and loss account		(3,716,880)	(1,046,405)
Capital contribution		-	427,014
<b>Shareholder's deficit</b>		(3,716,879)	(619,390)

These financial statements were approved by the board of directors on 20 May 2020.



Mr J Darragh  
Director

Company registration number: NI0632949

The notes on pages 12 to 23 form part of these financial statements.

# Cobra Bidco Limited

## Statement of changes in equity for the year ended 31 December 2019

	Called up share capital £	Profit and loss account £	Capital contribution £	Total equity £
Balance at 1 January 2018	1	66,175	-	66,176
<b>Total comprehensive income for the year</b>				
Profit or loss	-	(1,192,935)	-	(1,192,935)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for year</b>	-	(1,192,935)	-	(1,192,935)
<b>Transactions with owners of the Company</b>				
Capital contribution	-	-	507,369	507,369
Transfer relating to amortisation of loans	-	80,355	(80,355)	-
<b>Total transactions with owners of the Company</b>	-	80,355	427,014	507,369
<b>Balance at 31 December 2018</b>	<b>1</b>	<b>(1,046,405)</b>	<b>427,014</b>	<b>(619,390)</b>
Balance at 1 January 2019	1	(1,046,405)	427,014	(619,390)
<b>Total comprehensive income for the year</b>				
Profit or loss	-	(5,184,489)	-	(5,184,489)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for year</b>	-	(5,184,489)	-	(5,184,489)
<b>Transactions with owners of the Company</b>				
Capital contribution	-	-	2,087,000	2,087,000
Transfer relating to amortisation of loans	-	2,514,014	(2,514,014)	-
<b>Total transactions with owners of the Company</b>	-	2,514,014	(427,014)	2,087,000
<b>Balance at 31 December 2019</b>	<b>1</b>	<b>(3,716,880)</b>	<b>-</b>	<b>(3,716,879)</b>

The notes on pages 12 to 23 form part of these financial statements.

# Cobra Bidco Limited

## Notes

*forming part of the financial statements*

### 1 Principal accounting policies

Cobra Bidco Limited (the "Company") is a private company incorporated, domiciled and registered in Northern Ireland. The registered number is NI0632949 and the registered address is Pilot Point, 21 Clarendon Road, Belfast, BT1 3BG.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Cobra Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Cobra Topco Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Pilot Point, 21 Clarendon Road, Belfast, BT1 3BG. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors have highlighted judgements in applying accounting policies and key sources of estimation uncertainty in note 1.9.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

The financial statements are prepared on the going concern basis, which the directors believe to be appropriate for the following reasons. The Company has net current liabilities of £17,138,899 and is dependent for its working capital on funds provided to it by Cobra Midco Limited, a Group undertaking, together with loans repayable in 2025 and 2026. Interest and capital repayments are made on a quarterly basis. Cobra Midco Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular does not intend to seek repayment of the amounts currently made available. The directors consider that this will enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any Company placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

# Cobra Bidco Limited

## Notes *(continued)*

### **1 Principal accounting policies *(continued)***

#### **1.2 Going concern *(continued)***

Additionally, the Company carries an investment in subsidiaries of £34,732,928 and is intending to fund the repayment of the Company's liabilities via dividends being paid from the trading entities. The Company's forecasts and projections of subsidiary undertakings, taking account of reasonable possible changes in trading performance, show that the Company will be able to operate within the level of its facilities. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

As set out in the financial risks section of the strategic report, the company has considered the potential impacts of the Covid-19 virus on the operations of the business and based on the actions taken to mitigate the risk, the current financial position and the continued support of its parent company it is satisfied that the current situation does not impact on the use of the going concern assumption in the preparation of the financial statements.

After making enquiries, the directors have a reasonable expectation that the Company has more than adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

#### **1.3 Investments**

Investments in subsidiaries are stated at cost less any provision made for impairment.

#### **1.4 Basic financial instruments**

##### ***Trade and other debtors/creditors***

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### ***Interest-bearing borrowings***

Interest-bearing borrowings are recognised initially at fair value plus attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

#### **1.5 Other financial instruments**

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

# Cobra Bidco Limited

## Notes (continued)

### 1 Principal accounting policies (continued)

#### 1.6 Net finance costs

##### **Finance costs**

Finance costs comprise interest payable on borrowings and direct issue costs.

##### **Finance income**

Finance income comprises interest receivable on loans and cash and cash equivalents. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Finance income and finance costs include net foreign exchange gain/losses that are recognised in the profit and loss account (see foreign currency accounting policy). Dividend income is recognised in the profit and loss account on the date the entity's right to receive payment is established.

#### 1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met to the extent that it is not probable that they will reverse in the foreseeable future. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 1.8 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.



# Cobra Bidco Limited

## Notes (continued)

### 1 Principal accounting policies (continued)

#### 1.9 Judgements in applying accounting policies and key sources of estimation uncertainty

##### *Valuation of investment*

The company assess at each reporting date whether the carrying value of the investments may be impaired. If any such situation exists, the company estimates the recoverable amount of the investment based on fair value less costs to sell or a value in use calculation.

##### *Recoverability of intercompany loans*

The directors consider the recoverability of intercompany loans to be an area of critical accounting judgement. They have considered the recoverability of the loans, both directly from the companies and the wider group. When considering the recoverability of the loan the directors assessed the future trading potential of group undertakings and potential exit value, including sensitivity analysis on future forecasts. Based on these assessments the Directors have concluded that the loan owed by group undertakings is fully recoverable.

<b>2 Other operating income</b>	<b>2019 £</b>	<b>2018 £</b>
Management charges receivable	<b>2,644,510</b>	2,140,317

### 3 Expenses and auditor's remuneration

Included in profit/(loss) are the following items:	<b>2019 £</b>	<b>2018 £</b>
<i>Auditor's remuneration</i>		
Audit of these financial statements	<b>7,050</b>	3,625

### 4 Staff numbers and costs

The average number of persons employed by the Company including directors during the year, analysed by category, was as follows:

	<b>2019 No</b>	<b>2018 No</b>
Employees	<b>10</b>	9

The aggregate payroll costs of these persons were as follows:

	<b>2019 £</b>	<b>2018 £</b>
Wages and salaries	<b>1,387,264</b>	1,169,507
Social security costs	<b>189,725</b>	167,780
Other pension costs	<b>152,529</b>	133,325
	<b>1,729,518</b>	1,470,612

# Cobra Bidco Limited

## Notes (continued)

### 5 Directors' remuneration

The directors of the Company received the following emoluments:

	2019 £	2018 £
Directors' remuneration	486,419	552,292
Amounts paid to third parties in respect of directors' services	100,000	100,000
Company contributions to money purchase pension plans	32,043	39,745
	<u>618,462</u>	<u>692,037</u>

The aggregate of emoluments paid to the highest paid director was £216,680 (2018: £338,792) and pension contributions of £Nil (2018: £Nil) were made to a money purchase scheme on his behalf. During the year, retirement benefits were accruing to 1 director (2018: 2) under money purchase schemes.

### 6 Finance expenses

	2019 £	2018 £
Interest payable on financial liabilities at amortised cost	<u>4,817,860</u>	<u>1,194,474</u>

### 7 Taxation

*Total tax expense recognised in the profit and loss account*

	2019 £	2018 £
Current tax on income for the year	(108,054)	56,361
Adjustments in respect of prior year	(56,361)	-
	<u>(164,415)</u>	<u>56,361</u>

# Cobra Bidco Limited

## Notes (continued)

### 7 Taxation (continued)

<i>Reconciliation of effective tax rate</i>	<b>2019</b> £	<b>2018</b> £
Loss before tax	<b>(5,348,904)</b>	(1,136,574)
Tax using the UK corporation tax rate of 19.0% (2018: 19.0%)	<b>(1,016,291)</b>	(215,949)
<i>Effect of:</i>		
Expenses not deductible for tax purposes	<b>908,237</b>	347,099
Deferred tax not recognised	-	(74,789)
Adjustments to tax charge in respect of previous periods	<b>(56,361)</b>	-
<b>Total tax (credit)/charge</b>	<b>(164,415)</b>	56,361

#### Deferred taxation

Due to the uncertainty of the recoverability of tax losses, a deferred tax asset of £183,987 (2018: £0) has not been recognised.

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as at 31 December 2019 has been calculated based on this rate. In the 11 March 2020 Budget, it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on Cobra Bidco Limited future tax charge. If this rate change had been substantively enacted at the current balance sheet date the unrecognized deferred tax asset would have increased by £33,019.

### 8 Fixed asset investments

<b>Company</b>	<b>Shares in Group undertakings £</b>
<i>Cost or valuation</i>	
At 1 January 2019 and 31 December 2019	<b>34,732,928</b>
<i>Net book value</i>	
At 1 January 2019 and 31 December 2019	<b>34,732,928</b>

# Cobra Bidco Limited

## Notes (continued)

### 8 Fixed asset investments (continued)

The Company has the following investments in subsidiaries:

<b>Name</b>	<b>Country of registration or incorporation</b>	<b>Principal activities</b>	<b>Class and percentage of shares held</b>
TotalMobile Holdings Limited	Northern Ireland	Intermediate holding Company	100% ordinary shares
TotalMobile Limited	Northern Ireland	Supplying of software and related services	100% ordinary shares*
TotalMobile Solutions Limited	Northern Ireland	Development of mobile application software	100% ordinary shares*
eNGn Limited	Northern Ireland	Dormant	100% ordinary shares*
eNcubator Limited	Northern Ireland	Dormant	100% ordinary shares*
Technological Business Solutions Limited	England	Supplying of software and related services	100% ordinary shares*
Cloud Dialogs Ltd	England	Supplying of software and related services	100% ordinary shares*

\* Held by a subsidiary undertaking

During the year, Totalmobile Holdings Limited, acquired 100% shareholding of both Technological Business Solutions Limited and Cloud Dialogs Ltd.

<b>9 Debtors</b>	<b>2019 £</b>	<b>2018 £</b>
Amounts owed by Group undertakings	<b>11,957,178</b>	1,263,327
Prepayments and other debtors	<b>26,346</b>	-
	<b>11,983,524</b>	1,263,327

Amounts owed by Group undertakings are unsecured, interest free and have been agreed as being repayable on demand.

# Cobra Bidco Limited

## Notes (continued)

<b>10 Creditors:</b> amounts falling due within one year	<b>2019</b> £	<b>2018</b> £
Trade creditors	21,721	-
Accruals	539,501	25,000
Loans and borrowings	162,290	-
Amounts owed to Group undertakings	28,398,911	28,303,015
	<u>29,122,423</u>	<u>28,328,015</u>

Amounts owed to Group undertakings are unsecured, interest free and have been agreed as being repayable on demand.

<b>11 Creditors:</b> amounts falling after more than one year	<b>2019</b> £	<b>2018</b> £
Loans and borrowings	21,310,908	8,287,630
	<u>21,310,908</u>	<u>8,287,630</u>

### Loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings.

	Current £	Non-current £	Total £
<b>At 31 December 2019</b>			
Secured bank loans – outstanding principal and interest	229,937	21,840,000	22,069,937
Unamortised debt issue costs	(67,647)	(529,092)	(596,740)
	<u>162,290</u>	<u>21,310,908</u>	<u>21,473,198</u>
<b>At 31 December 2018</b>			
Secured loan notes	-	8,287,630	8,287,630
	<u>-</u>	<u>8,287,630</u>	<u>8,287,630</u>

# Cobra Bidco Limited

## Notes (continued)

### 11 Creditors: amounts falling after more than one year (continued)

#### Terms and debt repayment schedule:

	Currency	Nominal Interest Rates	Year of Maturity	Repayment schedule	2019 £	2018 £
Series E loan notes	GBP	15%	2024	On maturity – 18 January 2024	-	8,287,630
Term A Loan	GBP	3.75% + LIBOR	2025	Quarterly until maturity – 12 December 2025 <sup>1</sup>	4,009,429	-
Term B Loan	GBP	4.25% + LIBOR	2026	On maturity – 12 June 2026	12,031,412	-
Mezzanine	GBP	7.75% + LIBOR	2026	On maturity – 12 December 2026	6,029,096	-
					<b>22,069,937</b>	<b>8,287,630</b>

<sup>1</sup> Term A has quarterly repayments of £40,000 up to 31 December 2021, then £100,000 per quarter to 12 September 2025 with a final term repayment.

Borrowing have the following maturity profile:

	2019 £	2018 £
Less than one year	162,290	-
Between one and five years	1,090,920	-
More than five years	20,219,988	8,287,630
	<b>21,473,198</b>	<b>8,287,630</b>

The secured loan facility is secured by a fixed charge, floating charge and a negative pledge in respect of its right, title and interest to all its assets whether now owned or at any time hereafter.

# Cobra Bidco Limited

## Notes (continued)

### 12 Financial instruments

#### (a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2019 £	2018 £
Assets measured at amortised cost	11,983,524	1,263,327
Liabilities measured at amortised cost	50,433,331	36,615,645

#### (b) Nature and extent of risks arising from financial instruments

Risk management is carried out by the board of directors. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and related finance costs.

##### **Credit risk**

The Company's credit risk relates to the recoverability of monies lent to Group companies. Funds generated from the repayment of these monies are used to finance the Company's payment obligations. The Company's credit risk is subject to performance of the underlying subsidiary trading companies. There have been no events of default since inception of the facilities and based on current forecasts and projections of subsidiary undertakings the Company considers such risk to be minimal.

##### **Market risk**

Interest rate risk - Company is exposed to interest rate risk on loans and borrowings and does not hedge this variable interest rate exposure.

##### **Liquidity risk**

The Company monitors its forecasts to ensure it has sufficient cash to meet its commitments under borrowing facilities. Such forecasting takes into consideration the Company's debt financing plan (including the recoverability of monies lent to Group companies) and covenant compliance requirements on its borrowings. The maturity profile is disclosed in note 12.

### 13 Capital and reserves

	2019 £	2018 £
<b>Share capital</b>		
<b>Allotted, called-up and fully paid</b>		
Ordinary shares of £1 each	1	1
Shares classified in shareholder's funds	1	1

#### **Nature and purpose of reserves**

Capital contribution reserve - The reserve comprises amounts provided by the Company's shareholders.

# Cobra Bidco Limited

## Notes (continued)

### 14 Employee benefits

#### Defined contribution plan

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions payable by the Group for the year ended 31 December 2019 amounted to £152,529 (2018: £133,325). There were no contributions outstanding at the year-end (2018: £Nil).

### 15 Contingencies

Under the loan agreements, a number of group entities act as guarantor over the loans provided to Cobra Bidco Limited. At 31 December 2019, the total amount of group borrowings and facilities amounted to £22,069,937 of principal and interest. (2018: £Nil)

### 16 Related party transactions

The Company is a wholly owned subsidiary of Cobra Topco Limited a Company incorporated in Northern Ireland. Group financial statements for Cobra Topco Limited are prepared. The Company has taken advantage of the exemptions contained in FRS 102 not to disclose transactions, with wholly owned subsidiaries of Cobra Topco Limited.

During the current year, the Company entered into the following transactions:

- Horizon Capital Fund 2013 B Limited Partnership provided an unsecured loan of £250,000 to the Company for a period of 12 days. The loan had an interest of 15% per annum, compounded annually. Interest totalling £1,336 was accrued during the year. The loan, including accrued interest, was fully repaid during the year.
- The Company issued £9,391,000 of Series F loan notes to shareholders of the Group's ultimate parent entity, Cobra Topco Limited. The loan notes carried interest of 30% per annum, compounded annually. Interest totalling £467,761 was accrued during the year. The loan notes, including accrued interest, were subsequently refinanced through the issuance of Series G loan notes and G shares.
- The Company issued £9,900,000 of Series G loan notes to shareholders of the Group's ultimate parent entity, Cobra Topco Limited. (Amortised cost carrying value upon recognition was £7,813,000). Interest totalling £2,615,666 was accrued during the year. The loan notes, including accrued interest, were fully repaid during the year. (Principal and accrued interest balance of £10,428,666) The loan notes bear an initial interest at 5% per annum, compounded annually, for the first 4 months, before increasing to 10% per annum, compounded annually.
- Series E loan notes were held by shareholders of the Group's ultimate parent entity, Cobra Topco Limited. During the year the company incurred interest expense of £1,234,221 and settled the loan in cash on 12 December 2019 (Principal and accrued interest balance of £9,948,865). The interest expense includes a release of £427,014 from the capital contribution reserve. No balances remain outstanding as at 31 December 2019.

During the prior year, the Company entered into the following transactions:

- Series D loan notes were held by Lyceum Capital Fund III A Limited Partnership, Lyceum Capital Fund III B Limited Partnership, Lyceum Capital Friends and Family III Limited Partnership. During the year the company incurred interest expense of £23,745 and redeemed the loan on 18 January 2018 (Principal and accrued interest balance of £7,624,270). No balances remain outstanding as at 31 December 2018.
- The Company also issued £7,624,270 of Series E loan notes to shareholders of the Group's ultimate parent entity, Cobra Topco Limited. Interest totalling £1,170,729 was accrued during the year and no repayments were made. A balance of £8,714,645 remains outstanding as at 31 December 2018 (Amortised cost carrying value per accounts as at 31 December 2018 of £8,287,630). The loan notes bear interest at the fixed rate of 15 per cent per year, compounded annually. The Company has a contractual obligation to repay the loan and accrued interest on 18 January 2024.



# Cobra Bidco Limited

## Notes *(continued)*

### **17 Ultimate parent Company and parent Company of larger Group**

The Company is a subsidiary undertaking of Cobra Midco Limited. The ultimate controlling party is Horizon Capital Fund 2013 A Limited Partnership, formerly known as Lyceum Capital Fund III A Limited Partnership.

The largest Group in which the results of the Company are consolidated is that headed by Cobra Topco Limited, incorporated in Northern Ireland. No other Group financial statements include the results of the Company. The consolidated financial statements are available to the public and may be obtained from Pilot Point, 21 Clarendon Road, Belfast, BT1 3BG.

### **18 Subsequent events**

The Directors are monitoring developments in relation to the COVID 19 pandemic. Whilst the Directors believe that this has no direct impact on the Company, to the extent that the pandemic and associated market slowdown impacts on the Company's subsidiary undertakings this may impact on the ultimate valuation and amount realised from the financial assets of the Company. In addition, it may have financial impacts on other group undertakings and hence the collectability of the Company's receivable balances at the balance sheet date that are due from other group undertakings.

While there is still significant uncertainty in that regard and any financial impact is not yet quantifiable, the Directors continue to evaluate the situation and are confident that the Company will be in a strong position to respond to the resulting challenges. There have been no other significant events subsequent to year end that would require adjustment or disclosure in these financial statements.

There have been no other significant events subsequent to year end that would require adjustment or disclosure in these financial statements.