

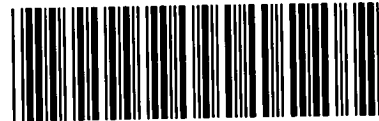
Company Registered Number: 12032770

**PROJECT SWORD BIDCO LIMITED**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 4 JUNE 2019 TO  
31 DECEMBER 2019**

WEDNESDAY



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**PROJECT SWORD BIDCO LIMITED**  
**Period ended 31 December 2019**

**Registered Number: 12032770**

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**PROJECT SWORD BIDCO LIMITED**

**Registered Number: 12032770**

**Company Information**  
**Period ended 31 December 2019**

**Directors**

P Frame  
N Hammond  
R Stenton  
D Wheatley  
A Lawton

**Registered Office**

Suffolk House  
George Street  
Croydon  
CR0 1PE

**Auditor**

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2A 1AG

**Report of the Directors  
Period ended 31 December 2019**

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The Directors present their report and the audited financial statements for the period ended 31 December 2019.

**Principal Activities, Review of Activities and Future Developments**

Project Sword Bidco Limited, through its subsidiary Catalis Limited, is a provider of services for the digital media industry offering outsourced quality assurance services for content providers focusing on content verification, compatibility testing, emulations and a wide range of additional services and a publisher of independent video games on PC and consoles.

Following the referendum result in the UK to leave the European Union, the Board continues to monitor the situation carefully and will undertake appropriate action to mitigate risk as the need arises.

**Principal risk and uncertainties****Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including cash flow risk, liquidity risk and technology risk.

**Cash flow risk** - The Company is supported by its ultimate parent company, Project Sword Topco Limited. The ultimate parent company supports the company in its management of day to day working capital and has pledged to continue to do so.

**Liquidity risk** - In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments the Company uses intergroup financing.

**Technology risk** - The Company is subject to the risks associated with frequent and rapid technological developments and to changes in the international markets for consumer leisure products and in order to mitigate this risk the Company trains its staff to keep pace with technological advances and continues to invest in its own proprietary technology.

**Qualifying Third Party Indemnity Provisions**

There were no Third Party Indemnity Provisions in place with regard to any of the Directors who served in the current or prior period that require disclosure under s234 Companies Act 2006.

**Going Concern**

After making appropriate enquiries of the Project Sword Topco Limited Group (the ultimate parent and controlling party), the Directors have concluded that the Company will continue in operational existence and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The management board of the Company and all other subsidiaries of Project Sword Topco Limited have produced budgets and cash flow forecasts which have been used by the Group to forecast cash flows for the period ending 31 December 2021. The Group's main banking facilities are provided by HSBC Bank plc and the cash flow forecasts demonstrate that the cash flows will provide sufficient resources for the Group to pay its liabilities as and when they become due.

The Group is forecast to generate operating profits and positive cash flows from operating activities and remain in compliance with its bank covenants in the periods ending 31 December 2020 and 2021.

Project Sword Bidco Limited has received confirmation from Project Sword Topco Limited, its ultimate parent undertaking, of its intention to continue to provide financial and other support to the extent necessary to enable the Company to continue to pay its liabilities as and when they become due for a period not less than one period from the date of approval of these financial statements.

On this basis, the directors believe it is appropriate to adopt the going concern assumption in the preparation of these financial statements.

**Report of the Directors  
Period ended 31 December 2019**

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**COVID-19 Statement**

The impact of the global COVID-19 pandemic on the Company and its wider Group has been extensively reviewed by the Board and a program has been put in place to ensure business continuity for our customers whilst ensuring safe working practices for our employees. The measures have included:

- Weekly Board calls to continually assess COVID-19 project together with a Senior Management task force assigned with responsibility for continually reviewing our global approach. The Task Force includes representatives from the Board, Operations, IT and HR.
- A full reforecast of the results for the full period taking into account various scenarios across the globe. The scenarios are reviewed against the actual results each month.
- Instigating a working from home policy for all employees and the provision of appropriate technology to allow our employees to continue to provide a service to our customers.
- Continuous review of cost base of the Company with a high level of scrutiny applied to the future expenditure of the Company including the deferral of payments where possible.
- The Company considers that its employees are its greatest assets and continues to retain staff wherever possible as well as providing a safe working environment. At the date of this report the Company has not furloughed any members of staff.

Whilst the impact of COVID-19 has been significantly detrimental to the wider global economy the Company has so far seen an increase in demand for video games across both the console and PC markets. The Company does not expect that the full period 2020 results will be significantly negatively impacted and will be in line with expectations. The position is reviewed each month by the Board and the Company expects to be able to continue to meet its liabilities as they fall due and to comply with the banking covenants as described in the notes to the accounts below.

**Directors**

The Directors held office during the period were as follows:

P Frame  
N Hammond  
R Stenton  
D Wheatley  
A Lawton  
R Haxton (resigned 20 February 2020)

**Statement of Directors Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS 101 "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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Report of the Directors  
Period ended 31 December 2019**

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**Statement of Directors Responsibilities**

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 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.

**Disclosure of Information to Auditor**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Financial Instruments**

The Company is financed by inter-company debt. In addition, various financial instruments such as trade debtors and trade creditors arise directly from the business operations. The Company did not enter into any hedging arrangements in the period.

**Political contributions**

The Company made no political donations or incurred any political expenditure during the period.

**Dividends**

No dividend has been paid during the period and the Board is not recommending a final dividend for the period ended 31 December 2019.

**Auditor**

Grant Thornton UK LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditor will be proposed at the next Annual General Meeting.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

*Andrew Lawton*

A Lawton  
Director  
1/7/2020

**PROJECT SWORD BIDCO LIMITED**

**Registered Number: 12032770**

**Independent Auditor's Report to the Members of Project Sword Bidco Limited for the period ended 31 December 2019**

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**Opinion**

We have audited the financial statements of Project Sword Bidco Limited (the 'company') for the period ended 31 December 2019, which comprise the statement of comprehensive income, statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

**Basis for opinion**

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

**The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

**Conclusions relating to going concern**

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

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

**PROJECT SWORD BIDCO LIMITED**

**Registered Number: 12032770**

**Independent Auditor's Report to the Members of Project Sword Bidco Limited for the period ended 31 December 2019**

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid- 19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, 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.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matter on which we are required to report under the Companies Act 2006**

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



**PROJECT SWORD BIDCO LIMITED**

**Registered Number: 12032770**

**Independent Auditor's Report to the Members of Project Sword Bidco Limited for the period ended 31 December 2019**

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**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 and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

**Nicholas Page**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

1/7/2020

**PROJECT SWORD BIDCO LIMITED****Registered Number: 12032770****Statement of Comprehensive Income  
Period ended 31 December 2019**

	Note	2019 £000's
Income from Subsidiary		238
Administrative expenses		(452)
<b>OPERATING LOSS</b>		<u>(214)</u>
Interest payable and similar charges	2	(2,126)
<b>LOSS BEFORE TAXATION</b>	3	<u>(2,340)</u>
Taxation	5	-
<b>LOSS FOR THE PERIOD</b>		<u>(2,340)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD</b>		<u><u>(2,340)</u></u>

The amounts above all relate to continuing operations.

The notes on pages 12 to 18 form part of these financial statements.

**PROJECT SWORD BIDCO LIMITED**

Registered Number: 12032770

**Statement of Financial Position  
As at 31 December 2019**

	Note	2019 £000's	2019 £000's
<b>FIXED ASSETS</b>			
Investments	6		93,641
<b>CURRENT ASSETS</b>			
Debtors	7	1,565	
Cash at bank and in hand		209	
		<u>1,774</u>	
<b>CREDITORS: amounts falling due within one period</b>	8	<u>(81,585)</u>	
<b>NET CURRENT LIABILITIES</b>			(79,811)
<b>CREDITORS: amounts falling due after more than one period</b>			(16,170)
<b>NET LIABILITIES</b>			<u>(2,340)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9		-
Profit and loss account			(2,340)
<b>SHAREHOLDERS' DEFICIT</b>			<u>(2,340)</u>

The financial statements were approved by the board of directors and authorised for issue on 1/7/2020

On behalf of the Board

*Andrew Lawton*

A Lawton  
Director

The notes on pages 12 to 18 form part of these financial statements.

**PROJECT SWORD BIDCO LIMITED****Registered Number: 12032770****Statement of Changes in Equity  
As at 31 December 2019**


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	Note	Share Capital £000's	Profit and loss account £000's	Total £000's
At 4 June 2019		-	-	-
Total comprehensive loss for the period		-	(2,340)	(2,340)
Shares issued	9	-	-	-
<b>At 31 December 2019</b>		<u>-</u>	<u>(2,340)</u>	<u>(2,340)</u>

The notes on pages 12 to 18 form part of these financial statements.

**PROJECT SWORD BIDCO LIMITED****Registered Number: 12032770****Notes to the Financial Statements  
Period ended 31 December 2019****1. ACCOUNTING POLICIES****Basis of accounting**

Project Sword Bidco Limited ("the Company") is a private company limited by shares, incorporated and domiciled in England and Wales. The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements contain information about Project Sword Bidco Limited as an individual company.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The presentation currency of these financial statements is Sterling.

The company is a wholly-owned subsidiary of Project Sword Topco and is included in the financial statements of Project Sword Topco which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The Company's ultimate parent undertaking, Project Sword Topco Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Project Sword Topco Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU. 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 101 in respect of the following disclosures:

- The Company has taken advantage of the following disclosure exemptions under FRS 101:
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
  - the requirements of IAS 7 Statement of Cash Flows
  - the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
  - the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
  - the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Company, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
  - the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
  - the requirements of the second sentence of paragraph 110 and paragraph 113(a), 114, 115, 118 and 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see below).

**PROJECT SWORD BIDCO LIMITED**

Registered Number: 12032770

**Notes to the Financial Statements  
Period ended 31 December 2019**

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**1. ACCOUNTING POLICIES (Continued)****Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, the directors are required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. No material judgements or estimates have been made in the preparation of these financial statements.

**Going Concern**

After making appropriate enquiries of the Project Sword Topco Limited Group (the ultimate parent and controlling party), the Directors have concluded that the Company will continue in operational existence and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The management board of the Company and all other subsidiaries of Project Sword Topco Limited have produced budgets and cash flow forecasts which have been used by the Group to forecast cash flows for the period ending 31 December 2021. The Group's main banking facilities are provided by HSBC Bank plc and the cash flow forecasts demonstrate that the cash flows will provide sufficient resources for the Group to pay its liabilities as and when they become due.

The Group is forecast to generate operating profits and positive cash flows from operating activities and remain in compliance with its bank covenants in the periods ending 31 December 2020 and 2021.

Project Sword Bidco Limited has received confirmation from Project Sword Topco Limited, its ultimate parent undertaking, of its intention to continue to provide financial and other support to the extent necessary to enable the Company to continue to pay its liabilities as and when they become due for a period not less than one period from the date of approval of these financial statements.

On this basis, the directors believe it is appropriate to adopt the going concern assumption in the preparation of these financial statements.

**Foreign Currencies**

Non monetary assets and liabilities, revenue and costs that are expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur. Monetary assets and liabilities are translated at the rate ruling at the statement for financial position date. Differences arising on the translation of such items are recognised in the Statement of Comprehensive Income.

**Investments**

Fixed asset investments are stated at cost, less any provisions for impairment required where there has been a permanent diminution in their value.

**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 interest for a similar debt instrument.

**PROJECT SWORD BIDCO LIMITED**

Registered Number: 12032770

**Notes to the Financial Statements  
Period ended 31 December 2019****1. ACCOUNTING POLICIES (Continued)****Investments in preference and ordinary shares**

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

**Non-financial assets**

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

**2. INTEREST PAYABLE**

	2019 £000's
Interest payable to Group undertakings	1,799
Bank interest payable	327
	<u>2,126</u>

**3. LOSS BEFORE TAXATION**

	2019 £000's
Loss before taxation is stated after charging/(crediting):	
Fees payable to the company's auditors and its associates for other services:	
Audit of the company accounts	3
Tax compliance services	3
	<u>3</u>

Fees for Non-audit services provided by the auditor have been disclosed in the consolidated financial statements of the ultimate parent company, Project Sword Topco Limited. Fees payable to the company's auditors for audit and non-audit fees were borne by another group company.

**PROJECT SWORD BIDCO LIMITED****Registered Number: 12032770****Notes to the Financial Statements  
Period ended 31 December 2019****4. DIRECTORS' EMOLUMENTS**

Three of the directors who served during the period were paid by Testronic Laboratories Limited, a fellow group company, and their emoluments are disclosed in the financial statements of that company. The directors do not feel it is practical to apportion their emoluments between group companies. Total remuneration for the period amounted to £184k. Two of the directors who served in the period are members of a defined contribution pension scheme.

Two of the directors who served during the period are employees of the ultimate controlling entity, North Edge Capital LLP and the Company incurred costs of £12k in relation to these directors.

The average number of employees is nil (2018: nil).

**5. TAXATION**

The tax charge for the period was £nil as the company made no taxable profit. The tax assessed for the period differs from the standard rate of tax as follows:

**Factors affecting tax credit for the period**

The tax assessed for the period differs from the standard rate of corporation tax in the UK for the period ended 31 December 2018 of 19%. The differences are explained below:

<b>Reconciliation of current taxation charge</b>	<b>2019 £000's</b>
Loss on ordinary activities before taxation	(2,340)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(445)
<b>Effects of:</b>	
Group relief surrendered	345
Expenses not deductible for tax purposes	95
Deferred tax not recognised	5
<b>Current tax charge for the period</b>	<b>-</b>

The rate of UK Corporation Tax is 19% (effective 1 April 2017) was substantially enacted in the Finance Act of 2016 and is expected to remain at this rate.



**PROJECT SWORD BIDCO LIMITED****Registered Number: 12032770****Notes to the Financial Statements  
Period ended 31 December 2019****6. FIXED ASSET INVESTMENTS**

	<b>2019 £000's</b>
Shares in subsidiary undertakings	93,641

On 8<sup>th</sup> October 2019 the Company acquired the entire issued share capital of Catalis Limited, a company incorporated in England and engaged in the provision of services for the digital media industry offering outsourced quality assurance services for content providers focusing on content verification, compatibility testing, emulations and a wide range of additional services and a publisher of independent video games on PC and consoles.

**Holdings of more than 20%** - The company holds, either directly or indirectly, more than 20% of the share capital of the following companies:

<b>Company</b>	<b>Country of registration/ incorporation</b>	<b>Principal Activity</b>	<b>Shares held Class</b>	<b>%</b>
Catalis Limited	England & Wales	Holding company	Ordinary	100
Curve Digital Entertainment Limited	England & Wales	Holding company	Ordinary	100
Curve Digital Publishing Limited	England & Wales	Computer game publishing	Ordinary	100
Runner Duck Limited	England & Wales	Computer game development	Ordinary	100
Kuju Limited	England & Wales	Computer game development & holding company	Ordinary	100
Curve Game Development One Limited	England & Wales	Computer game development	Ordinary	100
Curve Game Development Two Limited	England & Wales	Computer game development	Ordinary	100
Catalis Group Limited	England & Wales	Dormant	Ordinary	100
Kuju Entertainment Limited	England & Wales	In liquidation	Ordinary	100
Zoe Mode Entertainment Limited	England & Wales	Computer game development	Ordinary	100
Attack Games Limited	England & Wales	Computer game development	Ordinary	100
Kuju Games Development One Limited	England & Wales	Dormant	Ordinary	100
Headstrong Games Limited	England & Wales	Dormant	Ordinary	100
Vatra Games s.r.o.	Czech Republic	In liquidation	Ordinary	100
Testronic Laboratories SE	The Netherlands	Holding company	Ordinary	100
Testronic Laboratories Inc	USA	Testing services	Ordinary	100
Testronic Laboratories Ltd	UK	Testing services	Ordinary	100
Testronic Sp z.o.o	Poland	Testing services	Ordinary	100
Testronic Chile spa	Chile	Testing services	Ordinary	100
Kuju Group SE	The Netherlands	Holding company	Ordinary	100
Catalis Development Services Ltd	UK	Holding company	Ordinary	100
Kuju Sheffield Ltd	UK	Dormant	Ordinary	100
Kuju Manila Inc	Philippines	Dormant	Ordinary	100
Doublesix Digital Publishing B.V.	The Netherlands	Holding company	Ordinary	100
Doublesix Digital Publishing Ltd	UK	Computer game publishing	Ordinary	100
Simis Ltd	UK	Dormant	Ordinary	100

**PROJECT SWORD BIDCO LIMITED****Registered Number: 12032770****Notes to the Financial Statements  
Period ended 31 December 2019****7. DEBTORS**

	<b>2019 £000's</b>
Amounts due from subsidiaries	1,108
Other debtors	457
	<u>1,565</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD**

	<b>2019 £000's</b>
Amounts due to group undertakings	81,157
Accruals	413
Other creditors	15
	<u>81,585</u>

During 2017 the loan facility agreed between the Company's subsidiary, Catalis Ltd and KBC Bank was repaid in full and a new facility agreed with HSBC Bank plc. The loan was recorded in the books of Testronic Laboratories Limited, a fellow group company and was secured by a debenture over the assets and undertakings of that company and an unlimited composite company guarantee given by Catalis Limited, Testronic Laboratories SE and its subsidiaries to secure all liabilities of each other.

During 2019 Catalis Limited was acquired by the Company and the loan was repaid in full. The loan was replaced by the following facilities:

**Group Loans - Revolving Credit Facility**

Upon the acquisition of the Catalis Group by Project Sword Topco Limited in October 2019 the loan from HSBC was fully repaid and replaced with a new group wide Revolving Credit Facility recorded in the books of Project Sword Bidco Limited, an intermediary holding company and subsidiary of the ultimate parent company. The total facility amounts to £5m and is repayable in full by October 2024. Interest is payable on the loan at 3% above LIBOR. Security for the loan is provided by a Cross Corporate Guarantee between the ultimate parent company, Project Sword Topco Limited, and its material subsidiaries.

**Group Loans – Term Loan**

Upon the acquisition of the Catalis Group by Project Sword Topco Limited a term loan of £15m was provided by Tosca Debt Capital (Luxembourg) S.a.r.l. and recorded in the books of Project Sword Bidco Limited, an intermediary holding company and subsidiary of the ultimate parent company. The loan bears interest at the following rates: Quarterly Payment in Kind (PIK) interest is charged at 4.5% and is added to the loan balance, Cash interest is paid quarterly at LIBOR plus 4.5% subject to a LIBOR floor rate of 0.5%. The full balance of the principal plus the PIK interest is repayable on or before October 2025. Security for the loan is provided by a Cross Corporate Guarantee between the ultimate parent company, Project Sword Topco Limited, and its material subsidiaries.

The above loans are subject to two covenants which are - an Adjusted Leverage Covenant of 4:1 (net debt: adjusted EBITDA) and a Minimum Adjusted EBITDA Covenant (EBITDA to be a minimum of £3.34m, tested quarterly on a rolling 12 month basis). The group has complied with these covenants throughout the relevant period.

**PROJECT SWORD BIDCO LIMITED****Registered Number: 12032770****Notes to the Financial Statements  
Period ended 31 December 2019****9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2019</b>
	<b>£000's</b>
Term Loan	14,300
Revolving Credit Facility	1,870
	<u>16,170</u>

The Term Loan of £15m includes £144k of payment in kind interest, as described above and is net of £844k of directly attributable transaction fees.

**10. SHARE CAPITAL**

	<b>2019</b>
	<b>£</b>
<b>Allotted, issued and fully paid</b>	
10 Ordinary Shares of £1 each	<u>10</u>

**Called up Share Capital – Ordinary Shares** - The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to 1 vote per share at every meeting of the shareholders of the Company. Called up share capital represents the nominal value of shares that have been issued.

**Profit and loss account** – includes all current retained profits and losses.

**11. RELATED PARTIES**

The Company has taken the exemption where available in accordance paragraph 8(k) of FRS101 not to disclose transactions entered into between two or more members of a group, as the Company is a wholly-owned subsidiary undertaking to the group to which it is party to the transactions. The Company has identified North Edge Capital LLP as a related party. During the period the Company incurred costs in relation to the services of directors of £12k, of which an amount of £nil was outstanding at 31 December 2019.

**12. POST BALANCE SHEET EVENTS**

In March 2020 the World Health Organisation recognised COVID- 19 as a global pandemic. Government actions arising from the pandemic would include lockdowns of workplaces, places of education and leisure pursuits together with worldwide restrictions on travel. The Company was quick to respond to the challenges posed by the pandemic and the measures taken together with an assessment of the impact on the Company are as described in the Directors Report and note 1 above.

**13. ULTIMATE CONTROLLING PARTY**

The company's immediate parent company is Project Sword Midco 2 Limited, a company incorporated in the UK. The company's ultimate parent company is Project Sword Topco Limited, incorporated in the United Kingdom and privately held. Project Sword Topco Limited is the parent of both the smallest and largest group into which the results of the Company are consolidated. Project Sword Topco Limited prepares group financial statements that can be obtained from its registered office at Suffolk House, George Street, Croydon, London CR0 1PE. The ultimate controlling party of the Group is North Edge Capital LLP.