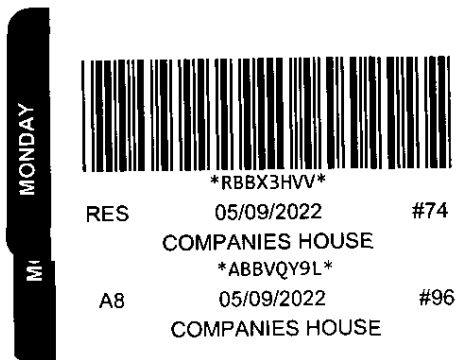


ANS Leaders Limited

Unaudited Annual Report and Financial Statements

For the year ended 31 December 2021



Directors' report

The directors present their report and unaudited financial statements for the year ending 31 December 2021. It should be noted that the company changed its name from UKFast Leaders Limited on 1 June 2022.

Principal Activity

The principal activity of the company is that of a management services company.

Directors

The directors who served the company during the period and up to the date of this report were as follows:

Catherine Greening

Irina Hemmers (resigned 28 July 2021)

Neil Lathwood (resigned 24 May 2022)

William Pullman (resigned 24 May 2022)

Steven Townsley (appointed 28 July 2021)

Andrew Wigglesworth (appointed 28 July 2021)

Christopher Hodgson (appointed 24 May 2022)

Paul Shannon (appointed 24 May 2022)

Going concern

The Group, of which the Company is part, has sufficient financial resources, together with contracts with a **large number of customers across different industries. As a consequence, the directors believe that the Group** is well placed to manage its business risks successfully. The directors have undertaken a rigorous assessment on the Group's ability to continue as a going concern, as documented in the strategic report of the financial statements of ANS Group Holdings Limited (the highest parent company in which the Company's results are consolidated). The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Approved by the Board on 3 August 2022 and signed on its behalf by:



Steven Townsley
Director

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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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 judgments and accounting 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.

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

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 and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of total comprehensive income

For the year ended 31 December 2021

		2021	2020
	Note	£000	£000
Turnover	2	405	596
Cost of sales		-	-
Gross profit		405	596
Administrative expenses		(415)	(893)
Other income	4	12,652	-
Operating profit/(loss)		12,642	(297)
Interest payable and similar expenses	5	(51,070)	(18,779)
Interest receivable and similar income	6	2,509	4,642
Loss before taxation		(35,919)	(14,434)
Taxation	7	-	-
Loss for the financial period		(35,919)	(14,434)

All activities of the company are continuing.

The company has no recognised gains or losses other than the loss for the financial period as shown above.

Balance sheet

As at 31 December 2021

	<i>Notes</i>	<i>2021 £000</i>	<i>2020 £000</i>
<i>Fixed assets</i>			
Investments	8	605,489	423,924
<i>Current assets</i>			
Debtors	9	193	4,296
Cash and cash equivalents		51	-
<i>Non-current assets</i>			
Debtors: amounts due after more than one year	10	41,035	-
<i>Creditors: amounts falling due within one year</i>	11	(88)	(324,344)
<i>Total assets less current liabilities</i>		646,680	103,876
<i>Creditors: amounts falling due after more than one year</i>	12	(714,051)	(135,326)
<i>Net liabilities</i>		<u>(67,371)</u>	<u>(31,450)</u>
<i>Capital and reserves</i>			
Called up share capital	13	-	-
Profit and loss account		(67,371)	(31,450)
<i>Shareholder's funds</i>		<u>(67,371)</u>	<u>(31,450)</u>

For the financial period ending 31 December 2021 the company was entitled to exemption from audit under **section 479A of the Companies Act 2006 relating to subsidiary companies. Under this section, ANS Group Holdings Limited** provides a parent guarantee for the company over its outstanding liabilities.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

The financial statements of ANS Leaders Limited (registered number 11647553) were approved by the board of directors and authorised for issue on 3 August 2022 They were signed on its behalf by:



Steven Townsley
Director

Balance sheet

For the year ended 31 December 2021

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current financial period. These financial statements present the company's financial results and position for the year ended 31 December 2021.

General information and basis of accounting

ANS Leaders Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is 1 Archway, Birley Fields, Manchester, M15 5QJ.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of ANS Leaders Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

ANS Leaders Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes
- The requirement to disclose key management compensation

Equivalent disclosures are included in the consolidated financial statements of ANS Group Holdings Limited, a company incorporated in England and Wales, in which the Company's financial statements for the period ended 31 December 2021 are consolidated.

The Company has taken advantage of an exemption from disclosing transactions with ANS Group Holdings Limited and its subsidiaries.

Consolidated financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared consolidated financial statements and it is exempt from the requirement to do so under Section 400 of the companies Act 2006.

Going concern

The Group, of which the Company is part, has sufficient financial resources, together with contracts with a large number of customers across different industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully. The directors have undertaken a rigorous assessment on the Group's ability to continue as a going concern, as documented in the strategic report of the financial statements of ANS Group Holdings Limited (the highest parent Company in which the company's results are consolidated). The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Balance sheet

For the year ended 31 December 2021

1. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, the company considers whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are measured subsequently at amortised cost using the effective interest method. Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability, then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Revenue recognition

Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of value added tax.

Balance sheet

For the year ended 31 December 2021

1. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Pensions

Contributions to defined contribution schemes are recognised in the Profit and loss account in the period in which they become payable.

Investments

Investments in subsidiaries are measured at cost less impairment.

Balance sheet

For the year ended 31 December 2021

Related party transactions

In accordance with Section 33 of FRS 102, the Company has not disclosed details of transactions with fellow wholly owned undertakings within the ANS Group Holdings Limited group of companies.

2. Turnover

All turnover arose in the United Kingdom and was related to the provision of management services.

An analysis of the Company's revenue by category is as follows:

	2021	2020
	£000	£000
Provision of management services	405	596

3. Staff costs

	2021	2020
	£000	£000
Wages and salaries	323	658
Social security costs	37	51
Pension costs	5	8
	<u>365</u>	<u>716</u>

The average number of employees (including executive directors) in the Company during the year was made up as follows:

	2021	2020
	Number	Number
Office, management and sales	3	3

4. Other income

	2021	2020
	£000	£000
Dividend income	12,652	-

5. Interest payable and similar expenses

	2021	2020
	£000	£000
Bank interest payable	12,676	8,085
Interest payable on intra group loans	37,358	10,559
Amortisation of loan arrangement fees	1,036	135
	<u>51,070</u>	<u>18,779</u>

Balance sheet

For the year ended 31 December 2021

6. Interest receivable and similar income

	2021	2020
	£000	£000
Dividend from subsidiary undertaking	-	4,462
Interest receivable on intra group loans	2,509	-

7. Tax on loss

(a) Tax charge for the period

The tax charge is made up as follows:

	2021	2020
	£000	£000
Current tax:		
UK corporation tax on the profit for the period	-	-
Total current tax charge (note 7(b))	-	-

(b) Factors affecting tax charge for the period

Deferred taxes are measured at 19% at 31 December 2021, following the decision to maintain the main corporation tax rate at 19% was substantively enacted on 17 March 2020. On 11 March 2021, the Finance Bill 2021 was announced in the United Kingdom, which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023. Deferred tax assets in the United Kingdom have not been restated.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK Corporation Tax to the profit before tax is as follows:

	2021	2020
	£000	£000
Loss before tax	(35,919)	(14,434)
Loss multiplied by standard rate of corporation tax	(6,825)	(2,742)
in the UK of 19%		
<i>Effects of:</i>		
Expenses not deductible	3	31
Income not taxable	(2,404)	(882)
Effects of group relief and other reliefs	9,190	3,593
Deferred tax not recognised	36	-
Total tax charge for the period (note 7(a))	-	-

Balance sheet

For the year ended 31 December 2021

8. Investments

	2021	2020
	£000	£000
Subsidiary undertakings	605,489	423,924

During the year the company acquired 100% of the share capital of Project Daytona Limited.

The company had investments in the following subsidiary undertakings during the year ended 31 December 2021

Subsidiary	Registered office	Principal activity	Holding
UKFast.Net Limited +	1 Archway, Birley Fields, Manchester, M15 5QJ	Hosting services	100%
Secure Information Assurance Limited	1 Archway, Birley Fields, Manchester, M15 5QJ	Hosting services	100%
Secure Information Assurance Holdings Limited	1 Archway, Birley Fields, Manchester, M15 5QJ	Holding company	100%
Clear Cloud Integration Limited	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
UKFast Inc	913 N Market Street, Suite 200, Wilmington, Delaware, 19801	Dormant company	100%
eCloud Global Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
UKFast DRAAS Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
One Click Apps Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
UKFast Enterprise Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
Project Daytona Ltd +	1 Archway, Birley Fields, Manchester, M15 5QJ	Holding company	100%
Project Daytona Bidco Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Holding company	100%
ANS Group Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Hosting services	100%
Faststore Limited	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%

Balance sheet**For the year ended 31 December 2021**

Eison Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
Zero2ten EMAE Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
Conatus Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
Webantic Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
Webantic Ventures Ltd	1 Archway, Birley Fields, Manchester, M15 5QJ	Dormant company	100%

+ Indicates that equity interest is held directly by ANS Leaders Limited. Equity interest in other subsidiary undertakings are held indirectly.

9. Debtors

	2021	2020
	£000	£000
Amounts owed by Group undertakings	-	4,280
Prepayments	-	16
Other debtors	193	-
	193	4,296

10. Debtors: amounts due after more than one year

	2021	2020
	£000	£000
Amounts owed by group undertakings	41,035	-

11. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Other taxation and social security costs	11	135
Other creditors	77	19
Amounts due to Group undertakings	-	324,190
	88	323,344

Balance sheet

For the year ended 31 December 2021

12. Creditors: amounts falling due after more than one year

Loans repayable, included within creditors, are analysed as follows:

	2021	2020
	£000	£000
Amounts due to group undertakings	470,722	-
Bank loans	250,196	140,000
Issue costs on bank loans	(6,867)	(4,674)
	<u>714,051</u>	<u>135,326</u>

Interest is payable on a £200m, bank loan with an inception date of 8 September 2020 and a termination date of 10 September 2027. Interest on £110m of this is payable at a variable interest rate of up to SONIA + 6.75% per annum on the principal amount. On the remaining £90m interest is payable at a variable rate of up to SONIA + 7% per annum on the principal amount.

Interest is also payable on a £50m, bank loan with an inception date of 8 September 2020 and a termination date of 10 March 2027. Interest is payable at a variable interest rate of up to SONIA + 3.25% per annum on the principal amount.

Borrowings are repayable as follows:

	2021	2020
	Bank	Bank
	loans	loans
	£000	£000
Within one year	-	-
In two to five years	-	-
Over five years	250,196	140,000
	<u>250,196</u>	<u>140,000</u>

13. Called up share capital and reserves

	2021	2020
	£000	£000
<i>Called up share capital not paid</i>		
1 ordinary share of £1	-	-

14. Related party transactions

In accordance with Section 33 of FRS 102, the Company has not disclosed details of transactions with fellow wholly owned undertakings within the ANS Group Holdings Limited group of companies.

15. Controlling party

The company is a subsidiary of ANS Mideo 3 Limited, a company registered in England and Wales.

Balance sheet

For the year ended 31 December 2021

The statutory accounts of ANS Group Holdings Limited is the largest and smallest Group in which ANS Leaders Limited is consolidated.

Funds managed by Inflexion Private Equity Partners LLP is the ultimate controlling party.