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**AZURE MIDCO 1 LIMITED**

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**UNAUDITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**AZURE MIDCO 1 LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	S S Gibbs (appointed 12 August 2020) N A Kelly (appointed 15 September 2020) B A Moseley (appointed 22 June 2020, resigned 1 June 2021) M J Legg (appointed 28 May 2020, resigned 22 June 2020) A D Payne (appointed 28 May 2020, resigned 22 June 2020) M A Pepper (appointed 22 June 2020, resigned 16 October 2020) M S Inskip (appointed 1 June 2021)
<b>Registered number</b>	12628590
<b>Registered office</b>	2nd Floor Partis House Davy Avenue Knowlhill Milton Keynes MK5 8HJ

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**AZURE MIDCO 1 LIMITED**

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## AZURE MIDCO 1 LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The directors present their report and the financial statements for the year from incorporation on 28 May 2020 to 31 March 2021.

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- 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 to 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.

#### Principal activity

The principal activity of the Company was that of a holding company.

#### Results and dividends

The loss for the year, after taxation, amounted to £16,252.

The Directors' do not propose the payment of a final dividend.

#### Directors

The directors who served during the year were:

S S Gibbs (appointed 12 August 2020)  
N A Kelly (appointed 15 September 2020)  
B A Moseley (appointed 22 June 2020, resigned 1 June 2021)  
M J Legg (appointed 28 May 2020, resigned 22 June 2020)  
A D Payne (appointed 28 May 2020, resigned 22 June 2020)  
M A Pepper (appointed 22 June 2020, resigned 16 October 2020)

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**AZURE MIDCO 1 LIMITED**

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
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
\_\_\_\_\_  
N A Kelly

**N A Kelly**  
Director

Date: Sep 3, 2021

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**AZURE MIDCO 1 LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Note	2021 £
Administrative expenses		(16,251)
<b>Operating loss</b>		<u>(16,251)</u>
Interest receivable and similar income	5	2,356,371
Interest payable and expenses	6	<u>(2,356,372)</u>
<b>Loss before tax</b>		(16,252)
Tax on loss	7	-
<b>Loss for the financial period</b>		<u><u>(16,252)</u></u>

There was no other comprehensive income for 2021.

The notes on pages 7 to 14 form part of these financial statements.

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**AZURE MIDCO 1 LIMITED**  
**REGISTERED NUMBER: 12628590**

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**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

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	Note	2021 £
<b>Fixed assets</b>		
Investments	8	328,497
		<u>328,497</u>
<b>Current assets</b>		
Debtors: amounts falling due after more than one year	9	37,218,602
Debtors: amounts falling due within one year	9	2,356,370
		<u>39,574,972</u>
Creditors: amounts falling due within one year	10	(2,357,322)
		<u>37,217,650</u>
<b>Net current assets</b>		<u>37,217,650</u>
<b>Total assets less current liabilities</b>		<u>37,546,147</u>
Creditors: amounts falling due after more than one year	11	(37,233,902)
		<u>312,245</u>
<b>Net assets</b>		<u><u>312,245</u></u>
<b>Capital and reserves</b>		
Called up share capital	14	3,286
Share premium account	15	325,211
Profit and loss account	15	(16,252)
		<u>312,245</u>
		<u><u>312,245</u></u>

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**AZURE MIDCO 1 LIMITED**  
**REGISTERED NUMBER: 12628590**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2021**


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The members have not required the Company to obtain an audit for the year in question in accordance with section 479A of the Companies Act 2006.

Members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
\_\_\_\_\_  
N A Kelly

**N A Kelly**  
Director

Date: Sep 3, 2021

The notes on pages 7 to 14 form part of these financial statements.



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**AZURE MIDCO 1 LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(16,252)	(16,252)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(16,252)	(16,252)
Shares issued during the year	3,286	325,211	-	328,497
<b>Total transactions with owners</b>	3,286	325,211	-	328,497
<b>At 31 March 2021</b>	3,286	325,211	(16,252)	312,245

The notes on pages 7 to 14 form part of these financial statements.

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## AZURE MIDCO 1 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. General information

Azure Midco 1 Limited (the "Company") is a company limited by shares and was incorporated on 28 May 2020 in England and Wales. The registered office, principal place of business and registered number are presented on the company information page.

The principal activity of the Company was that of a holding company.

The presentation currency is Pounds Sterling (£). This is the same as the functional currency of the primary economic area in which the Company operates.

Monetary amounts in the financial statements are presented rounded to the nearest Pound.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

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 note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

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 requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of IAS 7 Statement of Cash Flows
- 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 group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

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**AZURE MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' Report. The Company continues to adopt the going concern basis of accounting in preparing the annual financial statements. The Company is part of a group with sufficient financial resources. The group have prepared forecasts for the next five years, which show this situation continues. As a consequence, the Directors believe that the Company is well placed to manage its financial risks successfully and the Company has adequate resources to continue in operational existence for the foreseeable future.

The Directors have considered the impact of the continuation of the Covid-19 pandemic on the business based on their understanding of its likely effect and duration at this point in time and consider it appropriate to prepare these accounts on a going concern basis.

**2.4 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.5 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.6 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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**AZURE MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.10 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

**Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**Impairment of financial assets**

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

**Financial liabilities**

**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

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**AZURE MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.10 Financial instruments (continued)**

**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

There are not considered to be any significant judgments in applying accounting policies or key sources of estimation uncertainty which materially affect the company.

**4. Employees**

The Company has no employees other than the directors, who did not receive any remuneration.

**5. Interest receivable**

	<b>2021</b>
	<b>£</b>
Interest receivable from group companies	2,356,371

**6. Interest payable and similar expenses**

	<b>2021</b>
	<b>£</b>
Other interest payable	1,901,335
Interest payable to group companies	455,037
	<u>2,356,372</u>

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**AZURE MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**7. Taxation**

	<b>2021</b> £
<b>Total current tax</b>	-

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	<b>2021</b> £
Loss on ordinary activities before tax	(16,252)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(3,088)
<b>Effects of:</b>	
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	251,837
Income not taxable for tax purposes	(215,218)
Group relief	(33,531)
<b>Total tax charge for the year</b>	-

**Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%.

**8. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
Additions	328,497
At 31 March 2021	328,497

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**AZURE MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**8. Fixed asset investments (continued)**

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Azure Midco 2 Limited	2nd Floor Partis House, Knowlhill, Milton Keynes, United Kingdom, MK5 8HJ	Ordinary	100%

**9. Debtors**

**2021  
£**

**Due after more than one year**

Amounts owed by group undertakings 37,218,602

Amounts owed by group undertakings are unsecured, subject to interest rates of 8.0-8.5% and are repayable in more than one year.

**2021  
£**

**Due within one year**

Other debtors 2,356,370

**10. Creditors: Amounts falling due within one year**

**2021  
£**

Accruals and deferred income 2,357,322

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**AZURE MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**11. Creditors: Amounts falling due after more than one year**

	<b>2021</b>
	<b>£</b>
Other loans	29,756,037
Amounts owed to group undertakings	7,477,865
	<u>37,233,902</u>

Other loans include:

- Loan notes of £24,971,503 due to BDC III Nominees Limited which are subject to interest rates of 8.0% and has a redemption date of 22 June 2028.
- Loan notes of £4,784,534 due to the Pepper Family Trust which are subject to interest rates of 9.5% and has a redemption date of 22 June 2028.

Amounts owed to group undertakings are unsecured, subject to an interest rate of 7.9% and are repayable in more than one year.

**12. Loans**

Analysis of the maturity of loans is given below:

	<b>2021</b>
	<b>£</b>
<b>Amounts falling due after more than 5 years</b>	
Other loans	<u>29,756,037</u>

**13. Financial instruments**

	<b>2021</b>
	<b>£</b>
<b>Financial assets</b>	
Financial assets that are debt instruments measured at amortised cost	<u>39,574,973</u>
<b>Financial liabilities</b>	
Financial liabilities measured at amortised cost	<u>(39,591,224)</u>

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise other loans, amounts owed to group undertakings and accruals.



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**AZURE MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**14. Share capital**

	<b>2021</b>
	<b>£</b>
<b>Allotted, called up and fully paid</b>	
328,496 Ordinary shares of £0.01 each	3,285
1 Deferred share of £1.00	1
	<hr/>
	<b>3,286</b>
	<hr/> <hr/>

The Company has two classes of shares which carry voting rights but no right to fixed income.

During the period, the following share issues were made:

- 28 May 2020 – 1 Deferred share was issued with a nominal value of £1
- 22 June 2020 – 328,497 Ordinary shares were issued with a nominal value of £0.01

**15. Reserves**

**Share premium account**

This reserve represents the excess amount received that was above the cost amount of the shares issued.

**Profit and loss account**

The profit and loss reserve represents the accumulated profits and losses of the Company, less any dividends paid.

**16. Related party transactions**

The Company has claimed exemptions from the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

**17. Controlling party**

The Company's immediate and ultimate parent company at the balance sheet date is Azure Topco Limited, a company incorporated in England and Wales. With registered address Partis House, Davy Avenue, Knowlhill, Milton Keynes, Bucks, MK5 8HJ.