

Company Registration No. 12275476 (England and Wales)

Turbo Acquisitions 10 Midco Limited

**Financial statements
for the period ended 31 March 2020**

Pages for filing with the Registrar

Turbo Acquisitions 10 Midco Limited

Company information

Directors	A F T Bayliss P A Cudd J Declerck N A House D A Moore R P Robinson A D Steel
Secretary	R P Robinson
Company number	12275476
Registered office	Unit 2 Mill End Road High Wycombe Buckinghamshire HP12 4AX
Independent auditor	Saffery Champness LLP St John's Court Easton Street High Wycombe HP11 1JX

Turbo Acquisitions 10 Midco Limited

Contents

	Page
Statement of financial position	1
Notes to the financial statements	2 - 10

Turbo Acquisitions 10 Midco Limited

**Statement of financial position
As at 31 March 2020**

		2020	
	Notes	£	£
Fixed assets			
Investments	5		2
Current assets			
Debtors	7	70,427,900	
Creditors: amounts falling due within one year	8	(19,596,452)	
Net current assets			50,831,448
Total assets less current liabilities			50,831,450
Creditors: amounts falling due after more than one year	9	(53,445,790)	
Net liabilities			(2,614,340)
Capital and reserves			
Called up share capital	10		2
Profit and loss reserves			(2,614,342)
Total equity			(2,614,340)

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 31 March 2021 and are signed on its behalf by:

R P Robinson
Director

Company Registration No. 12275476

Turbo Acquisitions 10 Midco Limited

Notes to the financial statements For the period ended 31 March 2020

1 Accounting policies

Company information

Turbo Acquisitions 10 Midco Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2, Mill End Road, High Wycombe, Buckinghamshire, HP12 4AX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in GBP, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Turbo Acquisitions 10 Midco Limited is a wholly owned subsidiary of Turbo Acquisitions 10 Topco Limited and the results of Turbo Acquisitions 10 Midco Limited are included in the consolidated financial statements of Turbo Acquisitions 10 Topco Limited which are available from Unit 2, Mill End Road, High Wycombe, Buckinghamshire, HP12 4AX.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As at 31 March 2020 the company had net liabilities of £2,614,340. The company has the strong support of the private equity fund which has invested in its strategy. On an ongoing basis, the directors prepare and update forecasts and monitor the cash position regularly. The directors are satisfied that, having reviewed the budgets and forecasts, ongoing shareholder support and available facilities, the company can meet its liabilities as they fall due for the foreseeable future. The company's immediate parent company Turbo Acquisitions 10 Topco Limited have provided a letter of support to confirm that it will not call in the amounts due by the company for a period of twelve months from the signing of the accounts. The directors are therefore of the opinion that it is appropriate to prepare these statements on a going concern basis.

1.3 Reporting period

The reporting period is from incorporation of the company on 22 October 2019 until 31 March 2020. As these are the company's first financial statements there are no comparative figures.

1 Accounting policies (continued)

1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and investments in non-puttable ordinary shares.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Finance acquisition and issue costs directly attributable to obtaining finance are capitalised as part of the financial instrument.

1 Accounting policies (continued)

1.6 Interest receivable

Interest income is recognised when it is probable that the economic benefits will flow to the company and the value of the interest income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

1.7 Borrowing costs

Interest costs are recognised in the income statement in the period in which they are incurred. Finance acquisition and issue costs are transferred to the income statement, where they are included within the interest charge incurred in respect of the associated borrowing, at a constant rate over the repayment period.

1.8 Taxation

Any tax expense arising represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. 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.

Notes to the financial statements (continued)
For the period ended 31 March 2020

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Amounts due to/from other group companies

The directors review the recoverability of amounts, including Loan notes, due to/from other group companies with the directors of the relevant companies on a regular basis.

3 Employees

The company has no employees other than the directors, who did not receive any remuneration in respect of services to this company. Consequently, the average number of employees for the period is 0.

4 Auditor's remuneration

	2020
Fees payable to the company's auditor and associates:	£
For audit services	
Audit of the financial statements of the company	2,750
	=====

It has been arranged with subsidiary company, Grant & Stone Limited, that they meet the above audit fees of the company.

Turbo Acquisitions 10 Midco Limited

Notes to the financial statements (continued)
For the period ended 31 March 2020

5 Fixed asset investments

	2020
	£
Investments	2
	<u>2</u>

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 22 October 2019	-
Additions	2
	<u>2</u>
At 31 March 2020	2
	<u>2</u>
Carrying amount	
At 31 March 2020	2
	<u>2</u>

6 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Turbo Acquisitions 10 Subco Limited	Unit 2, Mill End Road, High Wycombe, Buckinghamshire, HP12 4AX	Ordinary	100.00	0
Turbo Acquisitions 10 Bidco Limited	Unit 2, Mill End Road, High Wycombe, Buckinghamshire, HP12 4AX	Ordinary	0	100.00
Grant & Stone Limited	Unit 2, Mill End Road, High Wycombe, Buckinghamshire, HP12 4AX	Ordinary & B Ordinary	0	100.00
Trading Depot U.K. Limited	Unit 3, Furze Platt Business Park, Gardner Road, Maidenhead, Berkshire, SL6 7PR	Ordinary & B Ordinary	0	100.00

The company has chosen to apply the available exemption in relation to preparing consolidated financial statements. Consolidated financial statements will be prepared by the ultimate parent undertaking Turbo Acquisitions 10 Topco Limited.

Turbo Acquisitions 10 Midco Limited

Notes to the financial statements (continued)
For the period ended 31 March 2020

7 Debtors

	2020
	£
Amounts falling due within one year:	
Amounts owed by group undertakings	51,558,124
Accrued income	523,986
	<u>52,082,110</u>

Amounts owed by group undertakings are unsecured, interest free, and repayable on demand.

	2020
	£
Amounts falling due after more than one year:	
Loan notes owed by group undertakings	18,345,790
	<u>18,345,790</u>
Total debtors	<u>70,427,900</u>

The company accepted a Loan note amounting to £18,345,790 from Turbo Acquisitions 10 Subco Limited in exchange for agreeing to issue £18,345,790 of Loan notes to the vendors of subsidiary companies Grant & Stone Limited and Trading Depot U.K. Limited (see Note 12).

Interest is receivable on the Loan notes at 7.5% to 31 July 2020 and at 10% thereafter. The 7.5% interest is paid quarterly whilst the additional 2.5% from 31 July 2020 is capitalised monthly.

Unless certain business conditions are fulfilled, all Loan notes are repayable on 14 May 2027.

Turbo Acquisitions 10 Midco Limited

Notes to the financial statements (continued)

For the period ended 31 March 2020

8 Creditors: amounts falling due within one year

	2020
	£
Amounts owed to group undertakings	865,457
Loan notes B - Cairngorm Capital Partners III LP	16,000,000
Accruals	2,730,995
	<hr/>
	19,596,452
	<hr/> <hr/>

Interest is payable at 10% on the Loan notes B which are repayable on 12 November 2020.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9 Creditors: amounts falling due after more than one year

	2020
	£
Loan notes A - Cairngorm Capital Partners III LP	23,400,000
Loan notes A - Other	11,700,000
Loan notes - Other	18,345,790
	<hr/>
	53,445,790
	<hr/> <hr/>

All above amounts fall due after five years.

The company acquired from Turbo Acquisitions 10 Subco Limited the liability to pay £18,345,790 to the vendors of subsidiary companies Grant & Stone Limited and Trading Depot U.K. Limited pursuant to Loans notes originally issued by Turbo Acquisitions 10 Bidco Limited, in exchange for a Loan note amounting to £18,345,790 provided by Turbo Acquisitions 10 Subco Limited (see Note 10).

Interest is payable on all Loan notes A at 15% and is capitalised annually on 30 June. Interest is payable on all Loan notes - Other at 7.5% to 31 July 2020 and at 10% thereafter. The 7.5% interest is paid quarterly whilst the additional 2.5% from 31 July 2020 is capitalised monthly.

Unless certain business conditions are fulfilled, all Loan notes are repayable on 14 May 2027.

Loan notes - Other borrowings of £18,345,790 are secured by way of fixed and floating charges over the assets of the company.

Turbo Acquisitions 10 Midco Limited

Notes to the financial statements (continued)

For the period ended 31 March 2020

10 Called up share capital

	2020
	£
Ordinary share capital	
Issued and fully paid	
2 Ordinary shares of £1 each	2
	<u>2</u>

2 Ordinary shares of £1.00 were allotted and fully paid for cash at par on incorporation.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Sheryl Davis.

The auditor was Saffery Champness LLP.

12 Related party transactions

The company has taken advantage of exemption, under the terms of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

Turbo Acquisitions 10 Midco Limited

Notes to the financial statements (continued)

For the period ended 31 March 2020

13 Events after the reporting date

On 31 July 2020 subsidiary company, Turbo Acquisitions 10 Subco Limited, repaid £13.9 million Loan note borrowings and £12.3 million of its intercompany borrowings from the company. In turn, the company made Loan note - Other repayments of £13.9 million and Loan note B repayments of £11.0 million.

On 9 September 2020, £35.1 million 15% unsecured Loan notes A 2027 and an unlimited amount of payment in kind Loan notes issued and to be issued by the company, and £16 million 10% unsecured Loan notes B 2020 issued by the company, were admitted to the Official List of the International Stock Exchange.

On 12 November 2020, the remaining £5 million of Loan note B 2020 borrowings was re-financed with current lenders at existing interest rates for a further 12 month period. On the same date Loan notes B 2020 were de-listed from the Official List of the International Stock Exchange.

On 26 February 2021 subsidiary company, Turbo Acquisitions 10 Subco Limited, repaid all remaining loan note borrowings and some intercompany borrowings to the company amounting to £10 million in total. In turn, the company repaid all remaining Loan note - Other and Loan note B borrowings.

On repayment of all Loan note - Other borrowings on 26 February 2021, the fixed and floating charges to the relevant noteholders were discharged.

On 26 February 2021, the company issued loan notes to the vendors of Rawle, Gammon and Baker Holdings Limited which was purchased by subsidiary company, Grant & Stone Limited, on that date. These new loan note borrowings are secured by way of fixed and floating charges over the property and undertakings of the company.

14 Parent company

The immediate and ultimate parent undertaking is Turbo Acquisitions 10 Topco Limited, a company incorporated in England and Wales, whose ultimate controlling party is Cairngorm Capital Partners III LP, a fund advised by Cairngorm Capital Partners LLP.

The consolidated accounts for Turbo Acquisitions 10 Topco Limited, in which this company is included, are available to the public and may be obtained from Companies House.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.