

Registered number 11765920 (England and Wales)

Bologna Midco 1 Limited
Annual report and financial statements for the year
ended 31 December 2022



Bologna Midco 1 Limited
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for the year ended 31 December 2022

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Bologna Midco 1 Limited

Directors and advisers

Directors

Mr K Barber
Mr D Elliott
Mr P Howarth
Mr C Lenton

Registered Number

11765920

Registered Office

26 Red Lion Square
London
WC1R 4HQ
United Kingdom

Bologna Midco 1 Limited

Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is of a holding company.

Directors

The directors during the year and up to the date of signing the financial statements, unless otherwise noted, were as follows:

Ms F Rizzi (resigned 16 April 2022)
Mr P Ransley (resigned 22 March 2023)
Mr D Elliott
Mr P Howarth
Mr C Lenton (appointed 27 April 2022)
Mt K Barber (appointed 22 March 2023)

Statement of directors' responsibilities in respect of the financial statements

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

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

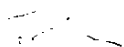
Directors' and officers' indemnity

The Company maintains liability insurance for its directors and officers and had this in place throughout the period and up to the date of the signing of the financial statements.

Small companies regime

This report has been prepared taking advantage of the exemptions for small companies within Part 15 of the Companies Act 2006.

This report was approved by the board on 25 September and signed on its behalf.



Mr K Barber
Director

Bologna Midco 1 Limited

Income statement

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Administrative expenses		(5)	13
Operating profit		5	(13)
Finance income	8	13,256	13,018
Finance costs	8	(14,062)	(13,470)
Loss before income tax		(8)	(465)
Income tax	9	-	-
Loss for the financial year		(801)	(465)

The notes on pages 8 to 14 are an integral part of these financial statements.

Bologna Midco 1 Limited

Statement of comprehensive income

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Loss for the financial year	(801)	(465)
Total comprehensive loss for the year	(801)	(465)

The notes on pages 8 to 14 are an integral part of these financial statements.

Bologna Midco 1 Limited

Balance sheet

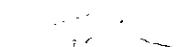
	Note	2022 £'000	2021 £'000
Non-current assets			
Investments in subsidiaries	3	1,700	1,700
		1,700	1,700
Current assets			
Trade and other receivables	5	141,259	121,502
		141,259	121,502
Current liabilities			
Trade and other payables	6	(2,682)	(2,234)
		(2,682)	(2,234)
Non-current liabilities			
Loan notes and other borrowings	7	(140,666)	(120,557)
Total liabilities		(140,666)	(122,790)
Total net assets		389	412
Equity			
Called up share capital	4	1,700	1,700
Retained earnings		(2,089)	(1,288)
Total equity		389	412

The notes on pages 8 to 14 are an integral part of these financial statements.

The financial statements of Bologna Midco 1 Limited have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 December 2022, the company was entitled to exemption from audit under Companies Act 2006, s. 479A relating to subsidiary companies, and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with Companies Act 2006, s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records, and for the preparation of accounts

The financial statements were approved by the Board of Directors on 25 September 2023 and signed on its behalf by:



Mr K Barber
Director

Registered number 11766067

Bologna Midco 1 Limited

Notes to the financial statements for the year ended 31 December 2022

1 Significant accounting policies

1.1 Reporting entity

Bologna Midco 1 Limited (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The Company's registered office is at 26 Red Lion Square, London, WC1R 4HQ.

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 Section 1A – The Financial Reporting Standard applicable in the UK and Republic of Ireland (January 2022) and the Companies Act 2006.

1.2.1 Audit

Bologna Topco Limited, the parent company, has provided parental guarantee in accordance with Section 479C of the Companies Act 2006. Advantage has been taken of the audit exemption for this subsidiary company conferred by Section 479A of the Companies Act 2006 relating to the audit of the financial statements.

1.2.2 Presentation

The financial statements are prepared in pound sterling, the function currency, rounded to the nearest thousand and suffixed with a "k" or "millions" in certain disclosure paragraphs, unless otherwise stated.

1.3 Finance income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

1.4 Finance cost

Interest expense is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

1.5 Investment in subsidiary undertakings

Investments in subsidiary undertakings and associates are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment. Cost is defined as the fair value of the consideration transferred, excluding acquisition related costs.

1.6 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. When a trade receivable is uncollectable, it is written off. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

1.7 Financial assets

1.7.1 Classification

The Company has one classification of financial assets; loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's

Bologna Midco 1 Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

1.7.2 Recognition and measurement

Loans and receivables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method less provision for impairment.

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss for the financial period.

1.8 Financial liabilities

1.8.1 Classification

Gains and losses

Gains or losses arising from changes in the fair value of the financial liabilities at fair value through profit or loss category are presented in the profit or loss for the financial period within 'finance costs' in the period in which they arise.

1.8.2 Recognition and measurement

The Company's financial liabilities at fair value through profit or loss comprise 'contingent consideration' and 'put/call options on non-controlling interest'. All other financial liabilities are recognised at fair value, net of transaction costs incurred, and subsequently carried at amortised cost using the effective interest method.

1.9 Loan notes

Loan notes are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, net of any transaction costs incurred. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Interest is recognised in the consolidated income statement over the period of the borrowing.

1.10 Borrowing costs

Borrowing costs are capitalised when incurred and amortised over the term of the borrowings.

1.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.12 Functional currency

The functional currency is pound sterling and the financial statements are presented in pound sterling, which the directors consider is the appropriate presentational currency of the Company.

1.13 Critical accounting estimates and judgements

The preparation of the Company's financial statements in accordance with FRS 102 requires decisions and estimates for some items, which might have an effect on their recognition and measurement in the balance sheet and income statements. The actual amounts realised may differ from these estimates.

The valuation of the investment in subsidiaries is considered to be a critical judgement. The Directors have considered the investment and it is correctly included at cost less any relevant impairment.

There are considered to be no other critical accounting estimates and judgements.

1.14 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction

Bologna Midco 1 Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Employees and directors

The Company has no employees other than the directors who received no remuneration from the Company (2020: £nil).

3 Investments

	Subsidiary undertakings £'000	Total £'000
Cost		
At 1 January 2022	1,700	1,700
At 31 December 2022	1,700	1,700
Net book value		
At 31 December 2022	1,700	1,700

The Company has an investment in Bologna Midco 2 Limited.

Name of undertaking and country of incorporation	Nature of business	Description of shares and proportion of nominal value of that class held
Bologna Midco 2 Limited	Holding company	Ordinary shares of GBP1.00 (100% held)

Bologna Midco 2 Limited has a registered office as that of the Company.

Bologna Midco 1 Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

4 Share capital

31 December 2022				
	Authorised		Allotted, issued and fully paid	
	Number of shares '000's	Share capital £'000	Number of shares '000's	Share capital £'000
Ordinary	1,700	1,700	1,700	1,700
Total Shares	1,700	1,700	1,700	1,700

1 ordinary share of £1 was issued at par on incorporation on 14 January 2019.

1,700,000 ordinary shares of £1 were issued at par on 28 February 2019.

5 Trade and other receivables

	2022 £'000	2021 £'000
Prepayments	1	1
Amounts owing from subsidiary undertakings	141,258	121,501
Trade and other receivables	141,259	121,502

Amounts owed by group undertakings are unsecured, bear interest at 8%-12% per annum and are repayable on demand.

6 Trade and other payables

	2022 £'000	2021 £'000
Accrued expenses	-	(10)
Amounts owing to subsidiary undertakings	(2,682)	(2,224)
Trade and other payables	(2,682)	(2,234)

Amounts owed to group undertakings are unsecured, bear interest at 8% per annum and are repayable on demand.

Bologna Midco 1 Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Loans and other borrowings

	2022 £'000	2021 £'000
Loan notes	94,480	87,980
Capitalised borrowing costs	(841)	(945)
Accrued interest on loan notes	47,027	33,522
Loans and other borrowings	140,666	120,557

Loan notes

Sterling denominated loan notes of £88.0m were issued on 28 February 2019 with a maturity date of 27 February 2025. The interest rate on the notes is 12% per annum and accrues on the principal amount on a daily basis and is compounded annually on 31 December each year. The full amount of the notes, less certain issue costs, was received in cash as at 28 February 2019. On the 21 December 2021 a Deed of variation was issued to reduce the interest rate on the notes to 10.5% per annum from 1 January 2022 ending on 31 December 2024 and then 8% per annum for every subsequent period.

Further sterling denominated loan notes of £6.5m were issued on 7 January 2022 with the benefit and subject to the provisions contained in the instrument entered into by the company on 28 February 2019 and described above.

The fair value of the loans and other borrowings is equivalent to the carrying amounts.

Capitalised borrowing costs

Costs incurred in issuing the loan notes in 2019 totalled £1.8m and in 2022 £0.3m. The costs were capitalised and allocated to the profit and loss account over the term of the related debt facility. At year end, borrowings are stated net of unamortised issue costs of £0.8m (2021: £0.9m).

8 Finance income and costs

	2022 £'000	2021 £'000
Interest payable on loan notes	(13,506)	(13,025)
Interest payable on loans from subsidiary undertakings	(169)	(146)
Borrowing cost amortisation	(387)	(299)
Interest receivable on loans to subsidiary undertakings	13,256	13,018
Net finance costs	(806)	(452)

Bologna Midco 1 Limited

9 Income tax

a. Tax expense included in the profit and loss

	2022 £'000	2021 £'000
Current tax:		
Current tax charge / (credit) for the period	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax charge / (credit)	-	-

b. Reconciliation of tax charge

	2022 £'000	2021 £'000
Loss before tax	(801)	(465)
Tax on profit on ordinary activities at standard CT rate of 25%(19%)	(200)	(88)
Effects of:		
Losses not recognised for deferred tax purposes	200	88
Tax on profit on ordinary activities	-	-

The deferred tax asset of £0.3m (2021: £0.3m) has not been recognised in the year in respect of losses.

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

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense 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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Bologna Midco 1 Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Income tax (continued)

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

10 Ultimate parent and controlling parties

At the balance sheet date, the immediate parent undertaking was Bologna Topco Limited, a company registered in England & Wales.

Bologna Topco Limited's consolidated financial statements, which include the Company, are available from The Company Secretary, Bologna Topco Limited, 26 Red Lion Square, London WC1R 4HQ.

The ultimate controlling party from 28 February 2019 is Inflexion Private Equity Partners LLP, on behalf of the funds under its management.

Bologna Midco 1 Limited is a party to a charge between certain Group companies and Inflexion Private Equity Limited as the security trustee for secured parties. There is a fixed and floating charge over the assets of Bologna Midco 1 Limited.

Bologna Midco 1 Limited is a party to a debenture dated 22 December 2020 between certain Group companies and the lenders of a £5m CBILS loan to a company within the Group. There is a fixed and floating charge over the assets of Bologna Midco 1 Limited in respect of this loan.