Registered number: 12027708

# HOOK BIDCO LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2020

## COMPANY INFORMATION

| | |
|---|---|
| **Director** | R P J Green (appointed 1 April 2021) |
| **Registered number** | 12027708 |
| **Registered office** | 6th Floor<br>9 Appold Street<br>London<br>EC2A 2AP |
| **Trading Address** | 1 Beta Terrace<br>West Road<br>Ransomes Industrial Estate<br>Ipswich<br>IP3 9FE |
| **Independent auditors** | Nexia Smith & Williamson<br>Chartered Accountants & Statutory Auditors<br>45 Gresham Street<br>London<br>EC2V 7BG |

HOOK BIDCO LIMITED

CONTENTS


| | Page |
|---|---|
| **Strategic Report** | 1 - 3 |
| **Directors' Report** | 4 - 6 |
| **Directors' Responsibilities Statement** | 7 |
| **Independent Auditors' Report** | 8 - 11 |
| **Statement of Comprehensive Income** | 12 |
| **Statement of Financial Position** | 13 |
| **Statement of Changes in Equity** | 14 |
| **Notes to the Financial Statements** | 15 - 27 |

# STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2020

### Introduction

The directors present the Strategic Report for the year ended 31 December 2020.

### Business review

The Company owns 100% of the issued share capital of Ridgewall Limited. The Company was incorporated to issue loan notes to fund this investment and to provide management services to the Group. The Company incurs group management costs, which are recharged to Group companies. The funding is through loan notes and intercompany loans. The interest payable on these loan notes is at a fixed rate. As such, no further review of key performance indicators is deemed necessary.

### Principal risks and uncertainties

The Company is entirely dependent on the financial performance of Ridgewall Limited and in turn its direct and indirect subsidiary undertakings. The ultimate parent company of the group and the company that prepares consolidated financial statements is Hook Topco Limited. Accounts for all group companies can be obtained from Companies House setting out the relevant risk and uncertainties.

**Post reporting date events**

Subsequent to the reporting date, in order to prevent and contain the transmission of new variants of COVID-19, throughout 2021 Governments continued to impose, amongst others, the following measures on its citizens and visitors: travel restrictions, quarantines, entry bans, temporary closure of businesses and schools, and the cancellation of gathering or events. As a result, there was a continued significant impact on businesses, such as tourism, travel, transport, hospitality, retail, entertainment, sport and education, which resulted in lower economic activity. There was also a continued impact on supply chains and the production of goods throughout the world and this lower economic activity resulted in continued reduced demand for many goods and services.

As we proceed through 2022, many of these restrictions have now been lifted and businesses are returning to normal operations. As at the date of this report, the negative impact of the COVID-19 pandemic on global and national economic activity has begun to ease and a recovery is well underway.

Like many businesses, "the Group" (Hook Topco Limited and its subsidiary undertakings) has experienced a decrease in business activity, although positively this is less of a decrease than initially forecasted at the start of the pandemic. The groups business model means a decrease in customer business levels actively results in lower usages and therefore revenue for the group.

Management have taken the following steps in response to the pandemic:

- Implemented appropriate health and safety responses to ensure the continuity of its business operations.
- Successfully transitioned to home working
- Undertaken an analysis of its forecast cash flows for twelve months from the date of approval of these financial statements. This analysis includes the consideration of possible changes in key forecast assumptions.
- Reviewed its bank loan facilities and agreed new, more favourable, terms with the bank. The terms and conditions of the business lending facility with Clydesdale Bank PLC have been updated in March 2022, with revised financial covenants and capital repayment requirements.The Group's cash flow forecasts for the 12 months after the date of approval of these financial statements indicate that there will be no breaches of these covenants.
- On 30 October 2020, a balance of £5,421,437 repayable on 31 October 2020, which consisted of £4,817,000 of loan notes together with accrued interest of £604,437 were converted to loan notes repayable on 31 October 2025.
- Conducted a cost review exercise to make reductions where possible, including closing premises and making a significant number of staff redundant
- Utilised government support schemes including the Coronavirus Job Retention Scheme and the ability to defer certain VAT, PAYE and Corporation Tax payments under HMRC's Time To Pay initiative.

It is not possible to estimate the impact of the pandemic's short and long-term effects. As such, it is not practical to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the group at this time.

These financial statements have been prepared based upon conditions existing at the end of the reporting period, 31 December 2020, and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period.

**Future developments**

The Group will continue to be at the forefront of next generation managed IT, cyber security, connectivity and cloud services, unified communications and document solutions. Whilst it is particularly strongly represented in the hospitality industry, the team's experience and capabilities mean that it is delivering value to clients across a broad and well-diversified range of sectors. The Group is well prepared for future growth and different customer landscapes and services after the Covid 19 pandemic.

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

**R P J Green**
Director

Date: 9 June 2022

# DIRECTORS' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

**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 £1,332,544 *(period ended 31 December 2019: loss £203,620)*.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

**Directors**

The directors who served during the year were:

M E Campbell (resigned 12 May 2022)
B Long (resigned 1 April 2020)
D McAnaspie (resigned 21 April 2022)
M Stricker (appointed 13 May 2020, resigned 20 August 2021)
J Q McCall (resigned 13 May 2020)

**Qualifying third party indemnity provisions**

The Company has made qualifying third-party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

**Matters covered in the Strategic Report**

Future development, post reporting date events and financial risk disclosure information is not shown within the Directors' Report as it is instead included within the Strategic Report on pages 1 to 2 under S414c (11).

## DIRECTORS' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2020

### Going concern

The Company made a loss of £1,332,544 and has net liabilities of £1,536,163 at the year end. The Group has prepared forecasts for the period to 31 December 2025 that assume that revenue will start to grow from 2022 and that the Group will generate positive cash flow. The directors consider that the revenue growth plans are achievable but given they are future events, there is a risk that these growth rates will not be achieved. The directors would take mitigating actions if required.

Since the period end, trading conditions have continued to be challenging. The Group has adapted its business practices in response to the COVID-19 pandemic to protect cash flows. Whilst there has been a net outflow of cash since the period end, the Group has continued to meet its day to day working capital requirements and has maintained a cash balance. Note 30 – Post balance sheet events – details the steps that management have taken in response to the pandemic post year ended 31 December 2020. The Directors believe that the hospitality industry is recovering well from the pandemic lockdowns and the sector is experiencing new investment and renewal of existing infrastructure. The Directors are confident that 2022 will show a recovery for the Group as actual revenue and EBITDA are ahead of budget for Q1 of 2022 and cash balances are also ahead of forecast.

Trading levels in the financial year 2021 meant that the Group was required to renegotiate its business lending facility with Clydesdale Bank PLC in order to reset covenants and repayment terms. The terms and conditions of the business lending facility with Clydesdale Bank PLC have been updated in March 2022, with revised financial covenants and capital repayment requirements. The Group's cash flow forecasts for the 12 months after the date of approval of these financial statements indicate that there will be no breaches of these revised covenants. The group was also able to convert the bridging loan and accrued interest due for repayment in October 2020 to a long-term loan note with repayment due in October 2025. The Group is confident that its ultimate controlling party and bank will continue to support the Group's strategy and that the Group will have adequate resources to continue in operational existence. The directors have received written confirmation from its ultimate controlling party, of its intention to support the Group.

Having considered these factors the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence, meeting all liabilities as they fall due, for a period of twelve months from the approval of the financial statement and as such the directors have determined that the Group's application of the going concern basis of accounting remains appropriate.

### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

The auditors, Nexia Smith & Williamson, was appointed in the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

## DIRECTORS' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2020

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

**R P J Green**
Director

Date: 9 June 2022

## DIRECTORS' RESPONSIBILITIES STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Strategic Report, 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 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOOK BIDCO LIMITED

### Opinion

We have audited the financial statements of Hook Bidco Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 2020 and of its loss for the year 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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.

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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of how the Group's legal and regulatory framework enquiry of management concerning: their understanding of the relevant laws and regulations; the group's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Group's industry and regulation.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to General Accepted Accounting Practices and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that might have a direct impact on the financial statements such as the Companies Act 2006.

We discussed among the audit engagement team regarding the opportunities and incentives, including management override of controls, that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. We also communicated the applicable laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below.

The principal risks related to management override in relation to posting of non-standard manual journals in respect of management bias in accounting estimates. Procedures performed to address these were as follows:

• Substantive work on material areas affecting profits.

• Challenging management regarding the assumptions used in calculations of estimates.

• Testing journal entries.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

Stephen Drew (Senior Statutory Auditor)

for and on behalf of
**Nexia Smith & Williamson**

Chartered Accountants
Statutory Auditors

45 Gresham Street
London
EC2V 7BG

9 June 2022

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | Year ended 31 December 2020 £ | *7-month period ended 31 December 2019 £* |
|---|---|---|---|
| Administrative expenses | | **(163,375)** | *(28,546)* |
| Other operating income | 4 | **157,500** | *29,973* |
| **Operating (loss)/profit** | | **(5,875)** | *1,427* |
| Interest receivable and similar income | 8 | **30,000** | *5,575* |
| Interest payable and expenses | 9 | **(1,356,669)** | *(210,622)* |
| **Loss before tax** | | **(1,332,544)** | *(203,620)* |
| Tax on loss | 10 | **-** | *-* |
| **Loss for the financial year** | | **(1,332,544)** | *(203,620)* |

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 15 to 27 form part of these financial statements.

**HOOK BIDCO LIMITED**
**REGISTERED NUMBER:12027708**

## STATEMENT OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2020

| | Note | | 2020<br>£ | | *2019*<br>*£* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Investments | 11 | | **26,391,103** | | *26,387,415* |
| | | | **26,391,103** | | *26,387,415* |
| **Current assets** | | | | | |
| Debtors: amounts falling due after more than one year | 12 | **285,000** | | *255,000* | |
| Debtors: amounts falling due within one year | 12 | **11,104,473** | | *11,736,202* | |
| Cash at bank and in hand | | **4,115** | | - | |
| | | **11,393,588** | | *11,991,202* | |
| Creditors: amounts falling due within one year | 13 | **(27,222,439)** | | *(27,840,490)* | |
| **Net current liabilities** | | | **(15,828,851)** | | *(15,849,288)* |
| **Total assets less current liabilities** | | | **10,562,252** | | *10,538,127* |
| Creditors: amounts falling due after more than one year | 14 | | **(12,098,415)** | | *(10,741,746)* |
| **Net liabilities** | | | **(1,536,163)** | | *(203,619)* |
| **Capital and reserves** | | | | | |
| Called up share capital | 16 | | **1** | | *1* |
| Profit and loss account | 17 | | **(1,536,164)** | | *(203,620)* |
| | | | **(1,536,163)** | | *(203,619)* |

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

**R P J Green**
Director

Date: 9 June 2022

The notes on pages 15 to 27 form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|---|---|---|---|
| **At 1 June 2019** | **1** | **-** | **1** |
| **Comprehensive income for the period** | | | |
| Loss for the period | **-** | **(203,620)** | **(203,620)** |
| **Total comprehensive income for the period** | **-** | **(203,620)** | **(203,620)** |
| **At 1 January 2020** | **1** | **(203,620)** | **(203,619)** |
| **Comprehensive income for the year** | | | |
| Loss for the year | **-** | **(1,332,544)** | **(1,332,544)** |
| **Total comprehensive income for the year** | **-** | **(1,332,544)** | **(1,332,544)** |
| **At 31 December 2020** | **1** | **(1,536,164)** | **(1,536,163)** |

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

### 1. General information

Hook Bidco Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 12027708). The registered office is 6th Floor, 9 Appold Street, London, EC2A 2AP, and the trading address is 1 Beta Terrace, West Road, Ransomes Industrial Estate, Ipswich, IP3 9FE.

The Company's principal activities and nature of its operations are disclosed in the Directors' Report.

### 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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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

This Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

The following principal accounting policies have been applied:

#### 2.2 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

## 2. Accounting policies (continued)

### 2.3 Going concern

The Company made a loss of £1,332,544 and has net liabilities of £1,536,163 at the year end. The Group has prepared forecasts for the period to 31 December 2025 that assume that revenue will start to grow from 2022 and that the Group will generate positive cash flow. The directors consider that the revenue growth plans are achievable but given they are future events, there is a risk that these growth rates will not be achieved. The directors would take mitigating actions if required.

Since the period end, trading conditions have continued to be challenging. The Group has adapted its business practices in response to the COVID-19 pandemic to protect cash flows. Whilst there has been a net outflow of cash since the period end, the Group has continued to meet its day to day working capital requirements and has maintained a cash balance. Note 30 – Post balance sheet events – details the steps that management have taken in response to the pandemic post year ended 31 December 2020. The Directors believe that the hospitality industry is recovering well from the pandemic lockdowns and the sector is experiencing new investment and renewal of existing infrastructure. The Directors are confident that 2022 will show a recovery for the Group as actual revenue and EBITDA are ahead of budget for Q1 of 2022 and cash balances are also ahead of forecast.

Trading levels in the financial year 2021 meant that the Group was required to renegotiate its business lending facility with Clydesdale Bank PLC in order to reset covenants and repayment terms. The terms and conditions of the business lending facility with Clydesdale Bank PLC have been updated in March 2022, with revised financial covenants and capital repayment requirements. The Group's cash flow forecasts for the 12 months after the date of approval of these financial statements indicate that there will be no breaches of these revised covenants. The group was also able to convert the bridging loan and accrued interest due for repayment in October 2020 to a long-term loan note with repayment due in October 2025. The Group is confident that its ultimate controlling party and bank will continue to support the Group's strategy and that the Group will have adequate resources to continue in operational existence. The directors have received written confirmation from its ultimate controlling party, of its intention to support the Group.

Having considered these factors the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence, meeting all liabilities as they fall due, for a period of twelve months from the approval of the financial statement and as such the directors have determined that the Group's application of the going concern basis of accounting remains appropriate.

### 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. Accounting policies (continued)

### 2.6 Valuation of 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 profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

## 2. Accounting policies (continued)

### 2.7 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.

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 includes amounts owed by group undertakings, other debtors (including accrued income) and loan notes, 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.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***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.

## 2. Accounting policies (continued)

### 2.7 Financial instruments (continued)

***Basic financial liabilities***

Basic financial liabilities, including trade creditors, amounts owed to group undertakings, accruals and loan notes, 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.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

### 2.8 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

### 2.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Current tax assets are recognised when tax paid exceeds the tax payable.

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

Current tax is based on taxable profit for the year. Taxable profit can differ from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

## 3. Judgements in applying accounting policies 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.

***Critical accounting estimates and assumptions***

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the directors' opinion, there are no estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

The Company has recognised provisions in its financial statements, which requires management to make judgements and estimates in respect of:

- carrying value of investments
- recoverability of amounts owed by group undertakings and loan notes
- accruals for contingent consideration on acquisitions

## 4. Other operating income

| | **Year ended 31 December 2020** | *7-month period ended 31 December 2019* |
|---|---|---|
| | **£** | *£* |
| Management charges | **157,500** | - |
| Other operating income | **-** | *29,973* |
| | **157,500** | *29,973* |

## 5. Auditors' remuneration

The audit fee of £8,500 (*period ended 31 December 2019: £2,000*) was borne by the Company's subsidiary.

## 6. Employees

The Company has no employees other than the directors, who did not receive any remuneration *(2019 - £NIL)*.

## 7. Directors' remuneration

| | Year ended 31 December 2020 | *7-month period ended 31 December 2019* |
|---|---|---|
| | £ | *£* |
| Sums paid to third parties for directors' services | **150,471** | *28,546* |

## 8. Interest receivable and similar income

| | Year ended 31 December 2020 | *7-month period ended 31 December 2019* |
|---|---|---|
| | £ | *£* |
| Interest on loan notes from group undertakings | **30,000** | *5,000* |
| Other interest receivable | **-** | *575* |
| | **30,000** | *5,575* |

## 9. Interest payable and similar expenses

| | Year ended 31 December 2020 | *7-month period ended 31 December 2019* |
|---|---|---|
| | £ | *£* |
| Interest on loan notes from group undertakings | **1,356,669** | *210,622* |

## 10. Taxation

| | Year ended 31 December 2020 | *7-month period ended 31 December 2019* |
|---|---|---|
| | £ | *£* |
| **Total current tax** | **-** | *-* |

## 10. Taxation (continued)

### Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than *(2019: higher than)* the standard rate of corporation tax in the UK of 19% *(2019: 19%)*. The differences are explained below:

| | Year ended 31 December 2020 £ | *7-month period ended 31 December 2019 £* |
|---|---|---|
| Loss on ordinary activities before tax | **(1,332,544)** | *(203,620)* |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | **(253,183)** | *(38,688)* |
| **Effects of:** | | |
| Losses surrendered to other group companies | **253,183** | *38,688* |
| **Total tax charge for the year/period** | **-** | *-* |

### Factors that may affect future tax charges

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as a result deferred tax balances as at 31 December 2020 continue to be measured at 19%.

## 11. Fixed asset investments

| | Investments in subsidiary companies £ |
|---|---|
| **Cost** | |
| At 1 January 2020 | **26,387,415** |
| Additions | **3,688** |
| At 31 December 2020 | **26,391,103** |

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| Name | Registered office | Principal activity | Class of shares | Holding |
|---|---|---|---|---|
| Ridgewall Limited | See below | Managed IT and print management | Ordinary | 100 % |
| Connecting London Limited | See below | Managed IT and telecommunication services | Ordinary | 100 % |
| Telnet International Limited | See below | Managed IT and telecommunication services | Ordinary | 100 % |
| Nomis Connections Limited | See below | Managed IT and telecommunication services | Ordinary | 100 % |
| QDOS SBL Group Limited | See below | Managed IT and telecommunication services | Ordinary | 100 % |

All of the above companies are incorporated in the United Kingdom. The registered office for all of the above companies is 6th Floor, 9 Appold Street, London, EC2A 2AP.

Connecting London Limited, Telnet International Limited, Nomis Connections Limited and QDOS SBL Group Limited are 100% owned by Ridgewell Limited.

## 12. Debtors

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Due after more than one year** | | |
| Loan notes from group undertakings | **285,000** | *255,000* |

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Due within one year** | | |
| Trade debtors | **94,500** | - |
| Amounts owed by group undertakings | **10,040,427** | *10,582,998* |
| Other debtors | **969,546** | *1,115,704* |
| Prepayments and accrued income | **-** | *37,500* |
| | **11,104,473** | *11,736,202* |

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

The loan notes are unsecured, bear interest at 12% and are repayable on 31 October 2025. The balance at 31 December 2020 includes accrued interest of £1,326,669 (*31 December 2019: £210,622*).

## 13. Creditors: Amounts falling due within one year

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Trade creditors | **135,565** | *120,445* |
| Amounts owed to group undertakings | **25,988,800** | *25,988,800* |
| Accruals and deferred income | **1,098,074** | *1,731,245* |
| | **27,222,439** | *27,840,490* |

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

## 14. Creditors: Amounts falling due after more than one year

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Loan notes to group undertakings | **12,098,415** | *10,741,746* |

Amounts included above which fall due after five years are payable other than by instalments.

## 15. Loans

Analysis of the maturity of loans is given below:

| | 2020 | *2019* |
|---|---|---|
| | £ | £ |
| **Amounts falling due 2-5 years** | | |
| Loan notes to group undertakings | **12,098,415** | - |
| **Amounts falling due after more than 5 years** | | |
| Loan notes to group undertakings | **-** | *10,741,746* |

The loan notes are unsecured, bear interest at 12% and are repayable on 31 October 2025. The balance at 31 December 2020 includes accrued interest of £1,326,669 (*31 December 2019: £210,622*) and is included within creditors due after more than one year.

## 16. Share capital

| | 2020 | *2019* |
|---|---|---|
| | £ | £ |
| **Allotted, called up and fully paid** | | |
| 1 Ordinary share of £1.00 | **1** | *1* |

The Company's Ordinary share carries no right to fixed income.

## 17. Reserves

### Profit and loss account

The profit and loss reserve represents the cumulative profit and loss net of distributions.

## 18. Financial commitments, guarantees and contingent liabilities

Cross guarantees to secure loan note borrowings in Hook Topco Limited and Hook Midco 1 Limited exists between Hook Topco Limited, Hook Midco 1 Limited, Hook Midco 2 Limited, Hook Bidco Limited, Ridgewall Limited, Connecting London Limited, Telnet International Limited and Nomis Connections Limited. The amounts outstanding at 31 December 2020 totalled £ 41,952,075 (*31 December 2019: £37,249,302*).

## 19. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

## 20. Events after the reporting date

Subsequent to the reporting date, in order to prevent and contain the transmission of new variants of COVID-19, throughout 2021 Governments continued to impose, amongst others, the following measures on its citizens and visitors: travel restrictions, quarantines, entry bans, temporary closure of businesses and schools, and the cancellation of gathering or events. As a result, there was a continued significant impact on businesses, such as tourism, travel, transport, hospitality, retail, entertainment, sport and education, which resulted in lower economic activity. There was also a continued impact on supply chains and the production of goods throughout the world and this lower economic activity resulted in continued reduced demand for many goods and services.

As we proceed through 2022, many of these restrictions have now been lifted and businesses are returning to normal operations. As at the date of this report, the negative impact of the COVID-19 pandemic on global and national economic activity has begun to ease and a recovery is well underway.

Like many businesses, "the Group" (Hook Topco Limited and its subsidiary undertakings) has experienced a decrease in business activity, although positively this is less of a decrease than initially forecasted at the start of the pandemic. The Group's business model means a decrease in customer business levels actively results in lower usages and therefore revenue for the Group.

Management have taken the following steps in response to the pandemic:

- Implemented appropriate health and safety responses to ensure the continuity of its business operations.
- Successfully transitioned to home working.
- Undertaken an analysis of its forecast cash flows for twelve months from the date of approval of these financial statements. This analysis includes the consideration of possible changes in key forecast assumptions.
- Reviewed its bank loan facilities and agreed new, more favourable, terms with the bank. The terms and conditions of the business lending facility with Clydesdale Bank PLC have been updated in March 2022, with revised financial covenants and capital repayment requirements. The Group's cash flow forecasts for the 12 months after the date of approval of these financial statements indicate that there will be no breaches of these covenants.
- On 30 October 2020, a balance of £5,421,437 repayable on 31 October 2020, which consisted of £4,817,000 of loan notes together with accrued interest of £604,437 were converted to loan notes repayable on 31 October 2025.
- Conducted a cost review exercise to make reductions where possible, including closing premises and making a significant number of staff redundant.
- Utilised government support schemes including the Coronavirus Job Retention Scheme and the ability to defer certain VAT, PAYE and Corporation Tax payments under HMRC's Time To Pay initiative.
- It is not possible to estimate the impact of the pandemic's short and long-term effects. As such, it is not practical to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the group at this time.

It is not possible to estimate the impact of the pandemic's short and long-term effects. As such, it is not practical to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the group at this time.

## 21. Controlling party

Hook Midco 2 Limited is the immediate parent company, a company incorporated in the United Kingdom.

The directors consider the ultimate parent undertaking to be Hook Topco Limited, a company incorporated in the United Kingdom.

Hook Topco Limited is the smallest and largest group for which consolidated accounts are prepared. The consolidated accounts are available from its registered office, 6th Floor, 9 Appold Street, London, EC2A 2AP.

The ultimate controlling entity is Inflexion Enterprise Fund V GP Guernsey Limited. In the opinion of the directors there is deemed to be no one controlling party.

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.