

Vendcrown Limited
Annual Report and Financial Statements
for the year ended 31 December 2021
Registered Number: 03208019



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STRATEGIC REPORT

The Directors present their Strategic report on the Company for the year ended 31 December 2021.

Review of the business and future outlook

The Company is part of the Mizzen Mezzco Limited Group and acts as an intermediate holding company.

The Board remains confident that our strategy and proven business model will continue to deliver long term and sustainable value to our shareholders as an intermediate holding company.

Ultimate controlling party

Our ultimate controlling party is the Fifth Cinven Fund which is managed by Cinven Capital Management (V) General Partner Limited. The Board considers the ultimate parent undertaking to be Pomegranate Topco Limited, which is incorporated in Jersey.

Results

The result for the year of £nil million is due to no receipt of dividend during the year (2020: £nil million). Net assets at the 31 December 2021 were £50.7 million (2020: £50.7 million).

Dividends

During the year no dividends were declared or paid by the Directors (2020: £nil million) to its parent undertaking Mizzen Bidco Limited. No further dividend is proposed.

Key Performance Indicators (KPIs)

The Directors are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business as this is not a trading entity.

Principal risks and uncertainties

The principal risk to which the Company is exposed is liquidity risk as a result of a significant deterioration in the credit quality of the loans and advances originated by a subsidiary company, Premium Credit Limited, the trading entity of the Group. Deterioration in credit conditions would result in the diminished ability of Premium Credit Limited, to pay its liabilities as and when they fall due. The factors which have a bearing on the future credit quality of the loans originated by Premium Credit Limited include the economic environment, notably interest rates, unemployment levels, payment behaviours and bankruptcy trends.

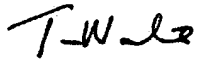
With the withdrawal of the United Kingdom (UK) from the European Union (EU), and the subsequent trade and cooperation agreement agreed between the UK and the EU, the potential impacts on the Company and Premium Credit Limited are continually monitored. Importantly, operational resilience has been a key area of focus for the Group over recent years and we have been able to manage our response to the COVID-19 outbreak with minimal impact on the business.

However, as an intermediate holding company, the Directors believe that the impacts of the UK's withdrawal from the EU and COVID-19 on the Company will be limited and will continue to be so in the foreseeable future, and for a period of at least 12 months from the signing of the financial statements.

Future developments of the business

The Company expects to continue as a holding company.

Approved by the Board on 28 February 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'T. Waite', with a stylized flourish at the end.

Tara Waite
Director

REPORT OF THE DIRECTORS

The Directors present their report and unaudited financial statements of the Company for the year ended 31 December 2021.

Principal activities

The Company acts as a holding company for the Mizzen Mezzco Limited Group and its principal subsidiary, Premium Credit Limited.

Directors

The Directors, who were in office during the year and up to the date of signing the financial statements were:

Tara Waite
Andrew Chapman
Rebecca Abrey (appointed 8 February 2022)
Anthony Santospirito (resigned 8 February 2022)

Employees

The Company has no employees (2020: nil).

Qualifying third-party and pension scheme indemnity provisions

During the financial year and at the date of approval of these financial statements, the Company maintained liability insurance and third-party indemnification provisions for its Directors, under which the Company has agreed to indemnify the Directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with the execution of their powers, duties and responsibilities as Directors of the Company and any of its associated companies. These indemnities are Qualifying Third-Party Indemnity Provisions as defined in Section 234 of the Companies Act 2006 and copies are available for inspection at the registered office of the Company during business hours on any weekday except public holidays.

Results

The results for the year are set out in the strategic report on page 3.

Dividends

The dividends for the year are set out in the strategic report on page 3.

Future developments of the business

The Company expects to continue as a holding company

Principal risks and uncertainties

The principal risks and uncertainties including the credit risk are set out in the Strategic report on page 3.

Donations

No donations were made during the year (2020: £nil).

Ultimate controlling party

In the opinion of the Directors, the Company's ultimate controlling party is the Fifth Cinven Fund which is managed by Cinven Capital Management (V) General Partner Limited.

Research and development

The Company does not undertake research and development activities.

Financial instruments

The Company's financial instruments comprise intercompany loans receivable and payable.

Going concern

In order to assess the appropriateness of the going concern basis the Directors considered the Company's financial position, the cash flow requirements laid out in its forecasts for a period of 12 months from the date of approval of these financial statements, its access to funding, the assumptions underlying the forecasts and the potential risks and uncertainty affecting them. This included taking into account the risks associated with the withdrawal of the United Kingdom (UK) from the European Union (EU), and the subsequent trade and cooperation agreement between the UK and the EU, as well as those associated with the ongoing COVID-19 pandemic. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, including a severe but plausible downside scenario, show that the group will be able to operate within the level of its current working capital facilities.

The Directors have reviewed the forecasts of the Company and of the wider group, which includes Pomegranate Topco Limited, taking into consideration longer-term commitments and the timings of future dividend payments and repayments of interest on external debt. Having reviewed these forecasts, and taken into account the forecast covenant compliance position of the wider Pomegranate Topco Limited group (pursuant to dependent loans across the Group), the Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has sufficient resources to continue in business for the foreseeable future, and for a period of at least 12 months from the signing of the financial statements.

The Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Financial risk management

The directors have presented the financial risks relevant to the company within the Principal risks and uncertainties section of the Strategic Report.

Post balance sheet events

There are no post balance sheet events to be disclosed.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

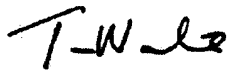
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Approved by the Board on 28 February 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'T-Waite', with a stylized flourish at the end.

Tara Waite
Director

FINANCIAL STATEMENTS

For the year ending 31 December 2021, Pursuant to s479A of the Companies Act 2006, Vendcrown Limited (a Group subsidiary undertaking), is exempt from the requirements of individual accounts' audits. As a condition of the exemption the Group, Mizzen Mezzco Limited, has guaranteed the year end liabilities of the relevant subsidiaries until they are settled in full.

INCOME STATEMENT

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Finance income	5	72	72
Finance expense	6	(72)	(72)
Result before taxation	8	-	-
Income tax expense	9	-	-
Result for the financial year		-	-

Results relate to continuing operations.

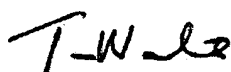
The Company has no other comprehensive income than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

BALANCE SHEET

As at 31 December 2021

	Note	2021 £'000	2020 £'000
Assets			
Non-current assets			
Investments	10	50,669	50,669
Total non-current assets		50,669	50,669
Current assets			
Amounts owed by Group undertakings	11	8,291	8,218
Total current assets		8,291	8,218
Total assets		58,960	58,887
Liabilities			
Current liabilities			
Amounts owed to Group undertakings	12	8,291	8,218
Total current liabilities		8,291	8,218
Total liabilities		8,291	8,218
Equity			
Called up share capital	13	16	16
Share premium	14	4,312	4,312
Other reserves	15	4	4
Retained earnings	16	46,337	46,337
Total shareholders' equity		50,669	50,669
Total liabilities & equity		58,960	58,887

The financial statements on pages 9 to 18 were approved by the Board of Directors on 28 February 2022 and signed on its behalf by:



Tara Waite
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share Capital £'000	Share premium £'000	Other reserves £'000	Retained Earnings £'000	Total Equity £'000
At 1 January 2020	16	4,312	4	46,337	50,669
Result for the financial year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
At 31 December 2020 and 1 January 2021	16	4,312	4	46,337	50,669
Result for the financial year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
At 31 December 2021	16	4,312	4	46,337	50,669

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Vendcrown Limited is a private limited company, limited by shares. It is an intermediate holding company in the Mizzen Mezzco Limited Group and is incorporated in England & Wales and domiciled in the United Kingdom. The address of the registered office is: Ermyn House, Ermyn Way, Leatherhead, England, KT22 8UX.

2. Accounting policies

A summary of the principal accounting policies is set out below.

(a) Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 January 2021. This change constitutes a change in accounting framework however, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements of Vendcrown Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The Company's ultimate parent undertaking, Pomegranate Topco Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of Mizzen Bidco Limited.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*.
- The requirements of IAS 7 *Statement of Cash Flows*.
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
- The requirements of paragraphs 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 that is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirements of IFRS 7 *Financial Instruments: Disclosures*.

Pursuant to s479A of the Companies Act 2006, Vendcrown Limited (a Group subsidiary undertaking), is exempt from the requirements of individual accounts' audits. As a condition of the exemption the Group, Mizzen Mezzco Limited, has guaranteed the year end liabilities of the relevant subsidiaries until they are settled in full.

(b) Principal accounting policies

Going concern

In order to assess the appropriateness of the going concern basis the Directors considered the Company's

financial position, the cash flow requirements laid out in its forecasts for a period of 12 months from the date of approval of these financial statements, its access to funding, the assumptions underlying the forecasts and the potential risks and uncertainty affecting them. This included taking into account the risks associated with the withdrawal of the United Kingdom (UK) from the European Union (EU), and the subsequent trade and cooperation agreement between the UK and the EU, as well as those associated with the ongoing COVID-19 pandemic. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, including a severe but plausible downside scenario, show that the group will be able to operate within the level of its current working capital facilities.

The Directors have reviewed the forecasts of the Company and of the wider group, which includes Pomegranate Topco Limited, taking into consideration longer-term commitments and the timings of future dividend payments and repayments of interest on external debt. Having reviewed these forecasts, and taken into account the forecast covenant compliance position of the wider Pomegranate Topco Limited group (pursuant to dependent loans across the Group), the Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has sufficient resources to continue in business for the foreseeable future, and for a period of at least 12 months from the signing of the financial statements.

The Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Finance Expense

Finance expense is recognised in the income statement on an effective interest rate basis. Finance expense is the amount due on intercompany loans.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed annually by the Directors or where there has been an indication of potential impairment.

Taxation

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

Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks.

Capital resources and dividends

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, issue or redeem other capital instruments, such as corporate bonds or loans and borrowings.

Share capital

Ordinary shares are classified as equity.

Dividends

Dividends paid are reported in equity in the period they are approved by the Company's Board. Dividend income is recognised when the right to receive payment is established.

(c) Critical accounting estimates and judgements

The accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical accounting estimates

Impairment of investment in subsidiaries

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for

impairment. IFRS requires management to undertake an annual test for impairment for assets with finite lives, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. It is an accounting estimate based on reviews performed annually by the Directors or where there has been an indication of potential impairment. Impairment testing is an area involving management estimates, requiring assessment as to whether the carrying value of assets can be supported by the fair value less costs to sell or net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain estimates have been made in respect of highly uncertain matters, including management's expectations of growth and discount rates. Changing the estimates selected by management could significantly affect the Company's impairment evaluation and hence results. The Company's review includes the key assumptions related to sensitivity in the cash flow projections. A change in the estimate of any of the key variables in this calculation has the potential to significantly impact income recognised in the consolidated income statement.

Recoverability of intercompany debtor

Intercompany balances are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The company applies the IFRS 9 simplified approach to measure expected credit losses which uses a 12 -month expected loss allowance for amounts due from the other group companies. As intercompany balances are repayable on demand in nature, management considers the liquidity of assets held when assessing the recoverability of the intercompany debtors. When the counterparty doesn't have highly liquid assets, management considers the settlement of the loan by selling its investments held in subsidiaries as their recovery strategies. Therefore, the most significant estimates are the assessment of impairment of the underlying trading company, Premium Credit Limited; hence the financial results and expected future cash flows of Premium Credit Limited are used as part of this assessment.

Critical accounting judgements

There are no critical accounting judgements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. New Standards, amendments and IFRS IC interpretations

The accounting policies and methods of computation are consistent with those applied in the 2020 Annual Report and Financial Statements with the exception of new accounting policies adopted on 1 January 2021, as set out below.

- Definition of materiality – Amendment to IAS 1 & IAS 8.
- Definition of a business – Amendment to IFRS 3.
- COVID-19 related rent concessions – Amendment to IFRS 16.
- Interest rate benchmark (IBOR) reform – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The implementation of these amendments to standards has not had a material impact on the financial statements of the Company.

4. Segmental reporting

The Company operates in one geographical area, namely United Kingdom and Ireland. Accordingly, a segmental analysis of the Company's business is not provided.

5. Finance income

	2021 £'000	2020 £'000
Interest receivable from Group undertakings	72	72
Finance income	72	72

Finance income is related to 1% interest receivable from intercompany loan with Mizzen Bidco Limited.

6. Finance expense

	2021 £'000	2020 £'000
Interest payable on loans to Group undertakings	72	72
Finance expense	72	72

Finance expense is related to 1% interest payable on intercompany loan with Premium Credit Limited.

7. Employee information

The Company has no employees (2020: nil). None of the Directors were directly remunerated by the Company or any other company of the Group, in respect of their duties as directors to the Company (2020: £nil).

8. Result before taxation

Auditors' remuneration of £nil (2020: £6,500) for audit of the company financial statements, has been borne and paid for by fellow Group undertaking Premium Credit Limited. No non audit services were provided (2020 nil)

9. Income tax expense

	2021 £'000	2020 £'000
UK corporation tax on result for the year	-	-
Total tax expense	-	-

The headline rate of UK corporation tax remains at 19% for 2021, however as part of the UK budget on 3 March 2021 it was announced that the corporation tax rate is set to increase to 25% by April 2023.

The Company's profits for this accounting period are taxed at the applicable rate of 19% (2020: 19%).

Result before taxation	2021 £'000	2020 £'000
Profit before taxation	-	-
Factors affecting expense for the year:		
Profit before taxation multiplied by the standard tax rate of corporation tax in the UK of 19% (2020: 19%)	-	-
Tax exempt income	-	-
Total tax expense	-	-

10. Investments

	31 Dec 2021	31 Dec 2020
	£'000	£'000
Shares in Group undertakings		
Shares in Group undertakings at cost	50,669	50,669
At 31 December	50,669	50,669

Group undertakings at 31 December 2021 and at 31 December 2020

Name	Parent Entity	Principal Activity	Group Interest	Share Capital
Premium Credit Limited	Vendcrowd Limited	Trading company	100%	£10,000

All subsidiary undertakings are registered at Ermyn House, Ermyn Way, Leatherhead, England, KT22 8UX, UK and incorporated in the UK. The Directors are of the opinion that the carrying value of the investment is supported by the underlying assets.

On 18 May 2021 the Company's subsidiary, Direct Debit Management Services Limited ('DDMS'), was dissolved. At 31 December 2020 the Company held 100% of the shares of DDMS and the Directors believed that the carrying value of the investment (£2) was supported by the underlying net assets. DDMS was incorporated in the UK and the registered address was Ermyn House, Ermyn Way, Leatherhead, Surrey, KT22 8UX.

11. Amounts owed by Group undertakings

	31 Dec 2021	31 Dec 2020
	£'000	£'000
Amounts owed by Group undertakings	8,291	8,218
Amounts owed by Group undertakings	8,291	8,218

Counterparty	Repayable	Interest rate	2021 £'000	2020 £'000
Loan: Mizzen Bidco Limited	30 October 2022 or demand within three business days	1%	7,962	7,889
Mizzen Bidco Limited	Repayable on demand		329	329
Amounts owed to Group undertakings			8,291	8,218

In the Company amounts due from Group undertakings are unsecured and consist of two loans. A loan of £7.2 million (2020: £7.2 million) was made to Mizzen Bidco Limited receivable in October 2022 or on demand within three business days of written notice from the lender and earns interest at 1% per annum, interest accrued amounted to £0.7 million (2020: £0.7 million). A second loan of £0.3 million (2020: £0.3 million) relates principally to expenses paid by Vendcrowd Limited on behalf of related parties and is interest free and receivable on demand.

12. Amounts owed to Group undertakings

	31 Dec 2021 £'000	31 Dec 2020 £'000
Amounts owed to Group undertakings	8,291	8,218
Amounts owed to Group undertakings	8,291	8,218

Counterparty	Repayable	Interest rate	2021 £'000	2020 £'000
Loan: Premium Credit Limited	30 October 2022 or demand within three business days	1%	7,955	7,882
Premium Credit Limited	Repayable on demand		336	336
Amounts owed to Group undertakings			8,291	8,218

In the Company amounts owed to Group undertakings by the Company are unsecured and consist of two loans. A loan of £7.2million (2020: £7.2million) was received from Premium Credit Limited which is repayable in October 2022 or on demand within three business days of written notice from the lender and earns interest at a rate of 1% per annum, interest accrued amounted to £0.7million (2020: £0.7million). The counterparty has agreed not to call upon the loan upon its repayment date. A second loan of £0.3million (2020: £0.3million) relates principally to expenses paid by Premium Credit Limited and is interest free and repayable on demand

13. Called up share capital

	31 Dec 2021 £'000	31 Dec 2020 £'000
Allotted and fully paid		
16,258,180 "A" ordinary shares of 0.1 pence per share (2020: 16,258,180 "A" ordinary shares of 0.1 pence per share)	16	16
Called up share capital at 31 December	16	16

Share capital consists of a single class of Ordinary Share which participate in dividends and distribution of capital equally and each have one vote per share.

14. Share premium

	31 Dec 2021 £'000	31 Dec 2020 £'000
At 1 January	4,312	4,312
Share premium at 31 December	4,312	4,312

15. Other Reserves

	31 Dec 2021 £'000	31 Dec 2020 £'000
At 1 January	4	4
Other reserves at 31 December	4	4

16. Retained earnings

	2021 £'000	2020 £'000
As at 1 January	46,337	46,337
Result for the financial year	-	-
Dividends paid	-	-
As at 31 December	46,337	46,337

17. Dividends

On Ordinary shares	31 December 2021 £'000	31 December 2020 £'000
Interim dividend of nil pence per share (2020: nil pence per share)	-	-
Dividends paid	-	-

In 2021, the Directors approved and paid dividend of £nil million to its parent company Mizzen Bidco Limited. (2020: £nil million) No final dividend is proposed.

18. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with wholly owned Group undertakings. There are no other related party transactions.

19. Ultimate parent undertaking

The immediate parent undertaking is Mizzen Bidco Limited.

The Company's ultimate parent undertaking is Pomegranate Topco Limited, a company incorporated in Jersey. It is the largest Group in which the Company is consolidated. The consolidated financial statements of Pomegranate Topco Limited are available from Aztec Financial Services (Jersey) Limited, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH.

Mizzen Mezzco Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2021. The consolidated financial statements of Mizzen Mezzco Limited are available from Premium Credit Limited, Ermyn House, Ermyn Way, Leatherhead, Surrey, KT22 8UX.

20. Post balance sheet events

There are no post balance sheet events to be disclosed.

CORPORATE INFORMATION

Directors	Tara Waite Rebecca Abrey Andrew Chapman
Company Secretary	Elizabeth Annys
Registered Office	Ermyn House Ermyn Way Leatherhead England KT22 8UX
Company number	03208019
Independent Auditors (prior year)	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT