

Registered number 07479215

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**ETIHAD MIDCO LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2015**

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**ETIHAD MIDCO LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	Chris Earle Paul Doherty
<b>COMPANY SECRETARY</b>	Emma Shaw
<b>REGISTERED NUMBER</b>	07479215
<b>REGISTERED OFFICE</b>	Universal House Longley Lane Manchester M22 4SY
<b>INDEPENDENT AUDITORS</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 101 Barbirolli Square Lower Mosley Street Manchester M2 3PW
<b>BANKERS</b>	Lloyds Bank 53 King Street Manchester M2 4LQ

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**ETIHAD MIDCO LIMITED**

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## ETIHAD MIDCO LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2015

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#### INTRODUCTION

As in previous years, the company's principal activity is that of a holding company for subsidiaries engaged in the provision of telecommunication and utility services, including gas, electricity and water services to the SME market in the United Kingdom

#### BUSINESS REVIEW

The company has made a loss for the financial year of £346,000, compared to a loss of £1,092,000 in 2014. Loans due from subsidiary undertakings have continued to accrue interest receivable, the income from which exceeded the interest payable on PIK notes and vendor loan notes, resulting in a profit before tax of £209,000 (2014 loss of £511,000).

#### PRINCIPAL RISKS AND UNCERTAINTIES

The company's exposure to financial risks is managed at Ethad Topco Limited group level.

#### FINANCIAL KEY PERFORMANCE INDICATORS

As the company is a holding company, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the financial statements.

#### GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, thus they adopt the going concern basis in preparing the financial statements. The parent company has agreed to provide sufficient funds to enable the company to continue. Further details regarding the adoption of the going concern basis can be found in note 1.

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



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**Emma Shaw**  
**Secretary**

Date 25/08/2015

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## **ETIHAD MIDCO LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2015**

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The directors present their report and the financial statements for the year ended 30 April 2015

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 prepared 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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. 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.

#### **DIVIDENDS**

No dividends have been paid or proposed during the year (2014: £nil).

#### **DIRECTORS**

The directors who served during the year and up to the date of signing the financial statements were

Chris Earle  
Paul Doherty

#### **FUTURE DEVELOPMENTS**

The directors anticipate current levels of financial activity to continue for the foreseeable future.

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its Directors.

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**ETIHAD MIDCO LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2015**

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**MATTERS COVERED IN THE STRATEGIC REPORT**

The Strategic report prepared by the directors includes disclosures in relation to the company's financial risk management as well as the business review and the key performance indicators used by the directors

**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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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

**INDEPENDENT AUDITORS**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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



.....  
**Emma Shaw**

Secretary

Date 25/08/2015

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## ETIHAD MIDCO LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ETIHAD MIDCO LIMITED

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#### REPORT ON THE FINANCIAL STATEMENTS

##### OUR OPINION

In our opinion, Etihad Midco Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the company's affairs as at 30 April 2015 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

##### WHAT WE HAVE AUDITED

Etihad Midco Limited's financial statements comprise

- the Balance sheet as at 30 April 2015,
- the Profit and loss account for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

##### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, 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

##### OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

###### ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

##### DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

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## ETIHAD MIDCO LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ETIHAD MIDCO LIMITED

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#### RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

##### OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)") Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

##### WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

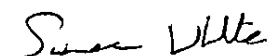
We conducted our audit in accordance with ISAs (UK and Ireland) An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both

In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report



Simon White (Senior statutory auditor)

for and on behalf of  
**PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

Manchester

Date 25/08/15



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**ETIHAD MIDCO LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2015**

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	<b>Note</b>	<b>2015 £000</b>	<b>2014 £000</b>
Interest receivable and similar income	4	<b>5,955</b>	5,563
Interest payable and similar charges	5	<b>(5,746)</b>	(6,074)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>209</b>	(511)
Tax on profit/(loss) on ordinary activities	6	<b>(555)</b>	(581)
<b>LOSS FOR THE FINANCIAL YEAR</b>	13	<b>(346)</b>	(1,092)

All amounts relate to continuing operations

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss account

There are no material differences between the profit/(loss) on ordinary activities before taxation and the retained loss for the financial year stated above and their historical cost equivalents

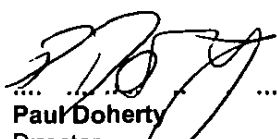
The notes on pages 8 to 14 form part of these financial statements

**ETIHAD MIDCO LIMITED**  
**REGISTERED NUMBER: 07479215**

**BALANCE SHEET**  
**AS AT 30 APRIL 2015**

	Note	£000	2015 £000	2014 £000
<b>FIXED ASSETS</b>				
Investments	7		779	779
<b>CURRENT ASSETS</b>				
Debtors amounts falling due after more than one year	8	60,772	54,681	
Debtors amounts falling due within one year	8	1,186	1,188	
Cash at bank		8	103	
		<u>61,966</u>	<u>55,972</u>	
<b>CREDITORS</b> amounts falling due within one year	9	<u>(3,859)</u>	<u>(3,166)</u>	
<b>NET CURRENT ASSETS</b>			<u>58,107</u>	<u>52,806</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>58,886</u>	<u>53,585</u>
<b>CREDITORS:</b> amounts falling due after more than one year	10		<u>(61,536)</u>	<u>(55,889)</u>
<b>NET LIABILITIES</b>			<u>(2,650)</u>	<u>(2,304)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	12		-	-
Share premium account	13		779	779
Profit and loss account	13		<u>(3,429)</u>	<u>(3,083)</u>
<b>TOTAL SHAREHOLDERS' DEFICIT</b>	14		<u>(2,650)</u>	<u>(2,304)</u>

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

  
 .....  
**Paul Doherty**  
 Director  
 Date 25/08/15

The notes on pages 8 to 14 form part of these financial statements

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## ETIHAD MIDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

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#### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and prior years.

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on the going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### 1.2 Going concern

The company is dependent on continuing finance being made available by the parent company to enable it to continue operating and to meet its debts as they fall due. The parent company has agreed to provide sufficient funds for this purpose for the foreseeable future. Consequently the directors have concluded that it is appropriate to prepare the financial statements on the going concern basis.

##### 1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.4 Related party transactions

In accordance with FRS 8, the company is exempt from disclosing related party transactions with entities that are part of the Etihad Topco Limited group.

##### 1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

##### 1.6 Current taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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## ETIHAD MIDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

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#### 1 ACCOUNTING POLICIES (continued)

##### 1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### 1.8 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### 1.9 Interest bearing loans and borrowings

All interest bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the period.

#### 2. OPERATING PROFIT

Fees associated with the audit of the Financial Statements of the company have been borne by Ethad Aquisitions Limited, a subsidiary company.

#### 3. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration for services provided to the company (2014 - £NIL)

#### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £000	2014 £000
Interest receivable from group companies	5,932	5,541
Other interest receivable	23	22
	<u>5,955</u>	<u>5,563</u>

**ETIHAD MIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015**

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2015 £000</b>	<b>2014 £000</b>
On other loans	<b>5,746</b>	<b>6,074</b>

Interest payable on other loans relates to interest accrued on loan notes. Further details relating to the loan notes are disclosed in note 9.

**6 TAXATION**

	<b>2015 £000</b>	<b>2014 £000</b>
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit/loss for the year	<b>793</b>	<b>822</b>
Adjustments in respect of prior periods	<b>(41)</b>	<b>-</b>
<b>Total current tax</b>	<b>752</b>	<b>822</b>
<b>Deferred tax (see note 11)</b>		
Origination and reversal of timing differences	<b>(197)</b>	<b>(241)</b>
<b>Tax on profit/loss on ordinary activities</b>	<b>555</b>	<b>581</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - *higher than*) the standard rate of corporation tax in the UK of 20.92% (2014 - 22.83%). The differences are explained below:

	<b>2015 £000</b>	<b>2014 £000</b>
Profit/loss on ordinary activities before tax	<b>209</b>	<b>(511)</b>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.92% (2014 - 22.83%)	<b>44</b>	<b>(117)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>552</b>	<b>698</b>
Adjustments to tax charge in respect of prior periods	<b>(41)</b>	<b>-</b>
Other timing differences leading to an increase in current taxation	<b>197</b>	<b>241</b>
<b>Current tax charge for the year</b>	<b>752</b>	<b>822</b>

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**ETIHAD MIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015**

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**6 TAXATION (continued)****Factors that may affect future tax charges**

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014 and then from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 20.92% (2014: 22.83%).

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The overall effect of these changes, if they had applied to the deferred tax balance at the balance sheet date, would not have had a material impact on the financial statements.

**7 FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 May 2014 and 30 April 2015	<u>779</u>
<b>Net book value</b>	
At 30 April 2015	<u>779</u>
At 30 April 2014	<u>779</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Etihad Financing Limited*	Ordinary shares	100%
Etihad Acquisitions Limited	Ordinary shares	100%
Universal Utilities Limited	Ordinary shares	100%
Titan Telecom Limited	Ordinary shares	100%
118 777 Limited	Ordinary shares	100%
Economy Gas Limited	Ordinary shares	100%
Clear Business Water Limited	Ordinary shares	100%

\* Investment held directly by Etihad Midco Limited

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ETIHAD MIDCO LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015

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8. DEBTORS

	2015 £000	2014 £000
<b>Due after more than one year</b>		
Loan to immediate subsidiary undertaking	59,857	53,926
Deferred tax asset (see note 11)	915	755
	<u>60,772</u>	<u>54,681</u>
	2015 £000	2014 £000
<b>Due within one year</b>		
Amounts owed by group undertakings	951	986
Other debtors	235	202
	<u>1,186</u>	<u>1,188</u>

Amounts owed by group undertakings falling due within one year are unsecured, interest free, have no fixed date of repayment and are repayable on demand

Loans due to immediate subsidiary undertaking falling due after more than one year are repayable on 26 April 2021 and accrue interest at 11% per annum

9. CREDITORS

Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	<u>3,859</u>	<u>3,166</u>

Amounts owed to group undertakings falling due within one year are unsecured, interest free, have no fixed date of repayment and are repayable on demand

**ETIHAD MIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015**

**10. CREDITORS:**

**Amounts falling due after more than one year**

	<b>2015 £000</b>	<b>2014 £000</b>
Other loans	56,922	55,889
Amounts owed to group undertakings	4,614	-
	<u><b>61,536</b></u>	<u><b>55,889</b></u>

Creditors include amounts not wholly repayable within 5 years as follows

	<b>2015 £000</b>	<b>2014 £000</b>
Repayable other than by instalments	56,922	55,889

Other loans consist of PIK loan notes and Vendor loan notes. The outstanding balance on the PIK loan notes at 30 April 2015 was £43,600,000 (2014: £42,557,000). The outstanding balance on the Vendor loan notes at 30 April 2015 was £13,322,000 (2014: £13,332,000). The PIK loan notes have a maturity date of 26 April 2021 and the Vendor loan notes have a maturity date of 26 April 2046. All loan notes are unsecured and accrue interest at 11% per annum.

Amounts owed to group undertakings falling due after more than one year are unsecured and do not incur interest. There is no maturity date attached to the balance, the lending group undertaking has confirmed that this balance will not be repayable within one year of the balance sheet date.

**11 DEFERRED TAX ASSET**

	<b>2015 £000</b>	<b>2014 £000</b>
At beginning of year	755	514
Credited to the Profit and loss account	160	241
	<u><b>915</b></u>	<u><b>755</b></u>

The deferred tax asset is made up as follows

	<b>2015 £000</b>	<b>2014 £000</b>
Deferred relief on interest accrued	915	755

**12. SHARE CAPITAL**

	<b>2015 £000</b>	<b>2014 £000</b>
<b>Allotted, called up and fully paid</b>		
100 (2014: 100) Ordinary shares of £1 each	<u>-</u>	<u>-</u>



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ETIHAD MIDCO LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2015

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**13 RESERVES**

	Share premium account £000	Profit and loss account £000
At 1 May 2014	779	(3,083)
Loss for the financial year		(346)
At 30 April 2015	<u>779</u>	<u>(3,429)</u>

**14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2015 £000	2014 £000
Opening shareholders' deficit	(2,304)	(1,212)
Loss for the financial year	(346)	(1,092)
Closing shareholders' deficit	<u>(2,650)</u>	<u>(2,304)</u>

**15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking is Etihad Topco Limited, a company incorporated in the United Kingdom, which is the parent undertaking of the smallest and largest group in which the company is consolidated. The consolidated financial statements of Etihad Topco Limited are available from Universal House, Longley Lane, Manchester, M22 4SY. The ultimate parent undertaking and controlling party is Vitruvian Partners LLP, a company incorporated in the United Kingdom.