

Registered number: 10489539

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**MORGAN BIDCO LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**



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**MORGAN BIDCO LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	P J Edmans D A Whileman A M Moss (appointed 4 March 2019)
<b>Company secretary</b>	P L Chin
<b>Registered number</b>	10489539
<b>Registered office</b>	47 Queen Anne Street London England W1G 9JG
<b>Independent auditor</b>	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

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**MORGAN BIDCO LIMITED**

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## MORGAN BIDCO LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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The directors present their report and the financial statements for the year ended 31 March 2019.

#### Directors' responsibilities statement

The directors are responsible for preparing 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 judgments 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.

#### Directors

The directors who served during the year were:

P J Edmans  
D A Whileman  
A M Moss (appointed 4 March 2019)

#### Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

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**MORGAN BIDCO LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019**

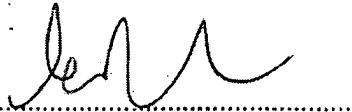
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**Auditor**

On 25 June 2018 Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



**A M Moss**  
Director

Date: 11 September 2019

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## MORGAN BIDCO LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MORGAN BIDCO LIMITED

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#### Opinion

We have audited the financial statements of Morgan BidCo Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of comprehensive income, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 March 2019 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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## **MORGAN BIDCO LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MORGAN BIDCO LIMITED (CONTINUED)**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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**MORGAN BIDCO LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MORGAN BIDCO LIMITED  
(CONTINUED)**

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**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 1, 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.

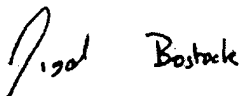
**Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



**Nigel Bostock** (Senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

Date: 11 September 2019

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**MORGAN BIDCO LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

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	31 March 2019 £	<i>Period ended</i> 31 March 2018 £
Turnover	237,951	292,920
<b>Gross profit</b>	<b>237,951</b>	<b>292,920</b>
Administrative expenses	(447,788)	(504,780)
Fair value movement of derivatives	(223,779)	223,779
<b>Operating (loss)/profit</b>	<b>(433,616)</b>	<b>11,919</b>
Interest receivable and similar income	973,235	3,150,888
Interest payable and expenses	(3,986,071)	(8,498,818)
<b>Loss before tax</b>	<b>(3,446,452)</b>	<b>(5,336,011)</b>
Tax on loss	-	-
<b>Loss for the financial year</b>	<b>(3,446,452)</b>	<b>(5,336,011)</b>

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 8 to 12 form part of these financial statements.

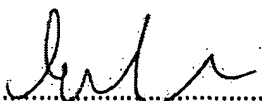
**MORGAN BIDCO LIMITED**  
**REGISTERED NUMBER: 10489539**

**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	3	49,456,861	49,456,861
		<u>49,456,861</u>	<u>49,456,861</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	4	15,596,538	19,427,263
Debtors: amounts falling due within one year	4	70,207	888,373
Bank and cash balances		244,330	347,743
		<u>15,911,075</u>	<u>20,663,379</u>
Creditors: amounts falling due within one year	5	(8,057,523)	(6,306,250)
<b>Net current assets</b>		<u>7,853,552</u>	<u>14,357,129</u>
<b>Total assets less current liabilities</b>		<u>57,310,413</u>	<u>63,813,990</u>
Creditors: amounts falling due after more than one year	6	(66,092,875)	(69,150,000)
<b>Net liabilities</b>		<u>(8,782,462)</u>	<u>(5,336,010)</u>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account		(8,782,463)	(5,336,011)
		<u>(8,782,462)</u>	<u>(5,336,010)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



A M Moss  
Director

Date: 11 September 2019

The notes on pages 8 to 12 form part of these financial statements.

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## MORGAN BIDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 1. General information

Morgan Bidco Limited is a private company (limited by shares) which is incorporated and domiciled in England and Wales.

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

The address of the registered office is 47 Queen Anne Street, London, England, W1G 9JG.

The average monthly number of employees, including directors, during the year was 2 (2018 - 2).

#### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

##### 2.3 Going concern

The financial statements have been prepared on a going concern basis. In making this assessment the directors have considered:

- The net liability position of the company.
- Loan balances including accrued interest that are not repayable on demand.
- The company is reliant on the operating performance of its investment in Morgan Holdco Limited, which continues to trade profitably and in line with expectations.
- The net asset position of its investment in Morgan Holdco Limited and the ability of that entity to potentially distribute a dividend to the company significantly in excess of its net liabilities
- The continued group support by the wider group in which the company is part, which is cash generative, to enable the company to service the external and intercompany debt and meets its liabilities and debts as they fall due.

The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

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## MORGAN BIDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

##### 2.6 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

##### 2.7 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

##### 2.8 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

##### 2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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**MORGAN BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)****2.10 Debtors**

Short and long term debtors are measured at transaction price, less any impairment.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.12 Creditors**

Short and long term creditors are measured at the transaction price.

**2.13 Financial instruments**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**3. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2018	49,456,861
At 31 March 2019	<u>49,456,861</u>

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**MORGAN BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**4. Debtors**

	2019 £	2018 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	15,576,931	19,162,525
Financial instruments	19,607	264,738
	<u>15,596,538</u>	<u>19,427,263</u>

Amounts owed by group undertakings relate wholly to Morgan Holdco Limited and accrue interest at 3% (2018: 12%) per annum, are unsecured and repayable by 17 December 2023.

	2019 £	2018 £
<b>Due within one year</b>		
Amounts owed by group undertakings	31,432	850,873
Prepayments and accrued income	38,775	37,500
	<u>70,207</u>	<u>888,373</u>

**5. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	48,030	-
Amounts owed to group undertakings	1,385,757	-
Other taxation and social security	543	7,438
Accruals and deferred income	6,623,193	6,298,812
	<u>8,057,523</u>	<u>6,306,250</u>

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**MORGAN BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**6. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Bank loans	35,000,000	34,500,000
Amounts owed to group undertakings	31,092,875	34,650,000
	<u>66,092,875</u>	<u>69,150,000</u>

Bank loans relate wholly to amounts owed to Investec Bank Plc are secured by way of fixed charge(s) on all current and future material land and intellectual property owned by the company.

Amounts owed to group undertakings relate wholly to Morgan Holdco Limited and accrue interest at 3% (2018: 12%) per annum, are unsecured and repayable by 17th December 2023.

**7. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<u>263,937</u>	<u>612,481</u>

Financial assets measured at fair value through profit or loss comprise of bank balances & an interest rate swap.

**8. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share share of £1.00	<u>1</u>	<u>1</u>

**9. Controlling party**

The Company's immediate parent company is Morgan Midco Limited. The Company's ultimate parent company and controlling party is Morgan Topco Limited. Both entities are registered in England and Wales.