

REGISTERED NUMBER: 10849070 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022**  
**FOR**  
**Ask4 (Midco2) Limited**



**Ask4 (Midco2) Limited (Registered number: 10849070)**

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**for the Year Ended 31 October 2022**

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**Ask4 (Midco2) Limited**

**COMPANY INFORMATION**  
**for the Year Ended 31 October 2022**

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**DIRECTORS:**

S R Delaney  
A M Dutton  
R D Mogg  
T Shelford  
J Thornhill

**REGISTERED OFFICE:**

Devonshire Green House  
14 Fitzwilliam Street  
Sheffield  
S1 4JL

**REGISTERED NUMBER:**

10849070 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
17th Floor  
103 Colmore Row  
Birmingham  
West Midlands  
B3 3AG

**SOLICITORS:**

Stephenson Harwood LLP  
1 Finsbury Circus  
London  
EC2M 7SH

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**STRATEGIC REPORT**  
**for the Year Ended 31 October 2022**

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**Introduction**

The principal activity is that of an investment holding company. Ask4 (Midco 2) Limited is an intermediate holding company of the Ask4 Midco 1 Limited group (the 'Group')

**Introduction - Group**

Ask4 (Midco2) Limited is an intermediate holding company of the Ask4 (Midco 1) Limited group (the Group).

Since its acquisition of the Ask4 business headed by Stream Topco Limited on 8 February 2018 the Group's principal activity has been the provision of managed telecommunications services in the United Kingdom and Europe. The service is provided principally to multi tenanted buildings with a particular focus on student accommodation and build-to-rent. The Group also provides IT support and managed IT services to a broad range of customers.

**BUSINESS REVIEW**  
**Financial Performance**

The turnover of the Group was £25.8 million in the year to 31 October 2022 (2021: £22.9 million) increasing by 12.9% with continued growth in the student and build to rent (BTR) internet business, reflecting important contracts being secured from both existing and new clients, as well as strong growth in the Group's IT Solutions business.

Gross profit of £17.1 million (2021: £15.1 million) increased by 13.4%. Overall gross margin remains broadly stable, with a slight year on year improvement attributable to a change in revenue mix. After depreciation and amortisation charges of £5.3 million (2021: £4.9 million) and £7.3 million (£7.0 million) respectively, as well as interest charges of £5.1 million (2021: £4.1 million), the statutory loss before taxation is reported as £10.8 million (2021: £10.0 million loss). Exceptionals in the year amounted to £869,881 (2021: £354,640).

Capital expenditure of £7.5 million (2021: £8.4 million) has been invested during the period to service both new and existing clients' sites.

The Ask4 business is underpinned by high levels of recurring revenue through multi-year contracts with its customers which continued to grow strongly. Sales performance in both the IT Services and Internet businesses has been strong. A record sales year for Internet reflects the return to expected growth levels post Covid-19 and provides good confidence in the year ahead. As a result, we have continued to invest in our growing UK and international operations throughout the period, increasing headcount from 179 to 196.

During the period the Group incurred exceptional costs of £869,881 which principally related to new territory expansion and set up activities in a new continent, and an internal transformation programme to primarily upgrade operating tool sets & systems. The directors consider these costs to be one off in nature and not directly attributable to the Group's ongoing trading performance.

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**STRATEGIC REPORT**  
**for the Year Ended 31 October 2022**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The trading environment continues to see some challenges driven by product shortages, economic uncertainty and high inflation. Consequently, there is a possible a risk ASK4 may not be able to deliver our rate of forecast growth.

There is an increasing demand for bandwidth amongst users, and we have to meet that demand in order to maintain our position. Historically our costs of supply have fallen faster than the increase in demand, such that our costs of bandwidth as a percentage of revenue have fallen over time. There is the risk that increased demand may outstrip falls in cost, impacting profitability of the business. However, given our scale and negotiating position with suppliers we feel we are able to manage this risk for the foreseeable future.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses and require that only customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures are granted credit terms.

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection measures throughout the Group.

Interest rate risk: The Group is financed through fixed rate investor loan notes and bank financing facilities incurring interest at a margin over SONIA. The Board regularly reviews the risk to the Group of movements in interest rates and enters into interest rate swaps if required to protect against significant rate rises.

Unforeseen disruptions to supply chain and global economic stability could impact timings of installation activity and therefore have an adverse impact on the financial results of the Group.

**FINANCIAL KEY PERFORMANCE INDICATORS**

|                              | <b>Year ended 31 October 2022</b> | <b>Year ended 31 October 2021</b> |
|------------------------------|-----------------------------------|-----------------------------------|
| <b>Turnover</b>              | £25,823,352                       | £22,863,768                       |
| <b>Gross profit</b>          | £17,125,746                       | £15,101,566                       |
| <b>Gross margin</b>          | 66.3%                             | 66.1%                             |
|                              |                                   |                                   |
| <b>Number of beds served</b> | 278,891                           | 237,138                           |

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**STRATEGIC REPORT**  
**for the Year Ended 31 October 2022**

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**STRATEGY**

ASK4 provides managed WiFi, broadband and associated services to multi-tenanted buildings, with a particular focus on purpose-built student accommodation (PBSA), university owned accommodation, build-to-rent (BTR) accommodation, and later living accommodation in the UK and Europe. ASK4 also provides Internet of Things (IoT) based solutions that leverage the ASK4 network within a building and address specific challenges that building owners and operators have. For example, through its partnership with Utopi, the Group is able to offer a solution to collect and report on ESG standards. The company provides services to 16 of the top 20 PBSA operators in the UK and 8 of the top 10 operators in Europe.

Under a typical service agreement, Ask4 invests in the required service delivery infrastructure for a particular building and charges the building owner a recurring service fee in respect of services provided over that infrastructure, over a multi-year contracted period.

The Group operates a core IP network and partners with multiple fibre network operators to provide connectivity from that core network to customer buildings. The Group's IT Services division provides managed IT, telecoms and data centre services to SME, corporate and public sector customers. Services provided by this division are also sold to the Group's internet customer base.

**Progress in Year**

Despite continued challenges from product shortages in the period, the Group was able to meet all of its installation requirements which, following a record level of Internet sales and delayed site upgrades from Covid-19, meant very strong demand and was therefore an excellent result. As well as continuing to consolidate its position across Europe as a leading supplier of internet, the Group has also had continued success in widening its offering in this territory through the provision of IT Services to a number of European sites. With ASK4 now serving well over 20% of its bed portfolio outside of the UK, the Group now serves customers in 11 countries outside of the UK. The Group also completed a brand refresh and new web site roll out during the period.

The Group enters 2023 with a strong order book and pipeline alongside a healthy contracted base, providing the Board with confidence about the year ahead.


**Key Priorities for Next Year**

The business will continue to focus on the delivery of its core strategic aims, including growth in new and existing geographies across PBSA, universities, BTR and later living, whilst also seeking growth in new territories, as well as continued improvement in operational KPIs across the Group.

**ESG**

During the year, the Group developed an ESG plan with clear ownership for each of environment, social and governance at an operating board level. The plan sets out improvements in each area, with periodic updates to all staff on progress.

**APPROVED AND SIGNED ON BEHALF OF THE BOARD:**

  
.....  
R D Mogg - Director

Date: 6 April 2023

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**REPORT OF THE DIRECTORS**  
**for the Year Ended 31 October 2022**

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The directors present their report with the financial statements of the company for the year ended 31 October 2022.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 November 2021 to the date of this report.

S R Delaney  
R D Mogg  
T Shelford  
J Thornhill

Other changes in directors holding office are as follows:

J J Burrows - resigned 2 November 2021  
A M Dutton - appointed 2 November 2021

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**REPORT OF THE DIRECTORS**  
**for the Year Ended 31 October 2022**

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**Qualifying third party indemnity provisions**

The company has provided qualifying third party indemnity provisions in respect of the directors which were in force during the period and at the date of this report.

**Matters covered in the strategic report**

For a review of the business and details of principal risks and uncertainties please refer to the Strategic report.

**Going concern**

Ask4 (Midco2) Limited is a wholly owned subsidiary of Ask4 (Midco1) Limited and is reliant on the continuing financial support and success of the Ask4 (Midco1) Limited group (the Group).

As part of considering going concern, management have prepared profit & loss, balance sheet and cash flow forecasts extending to 30 April 2024. This forecast takes into account the Group's current sales pipeline and assumes continued growth in its core markets beyond this, with appropriate ongoing investment in additional overheads to support this growth. Existing contracts have been reviewed in order to consider the likely impact at renewal, both in terms of EBITDA and cash. Capital investment is assumed to continue at similar levels to prior years, relative to volume. It is also assumed that the Group's current debt facility will remain in place throughout the forecast period. The current facility expires in March 2025.

At 31 October 2022, the Group had £45.5m of bank loans through a mix of term and revolving facilities. The total available committed facility is currently £51m. Management's forecast indicates that the Group will have sufficient funds to service these loans and that there is sufficient EBITDA headroom against the Group's banking covenant throughout the forecast period. Group cash at 31 October 2022 was £4.4 million (2021: £8.8 million). With a significant proportion of the Group's billing being annually in advance in August & September and the largest element of installation activity taking place during the summer months, the Group has a seasonal nature to its cash profile. As such, suitable cash and facility headroom has been appropriately assessed at the typical low point within the forecast period.

Although the Group continues to report a statutory operating loss after tax, this is after a significant amount of non-cash charges. These total in excess of £14 million in the period to 31 October 2022, and the associated cash impact is either already reflected in the Group's reported cash position or will not crystallise until a business sale event. Equally, the reported net liability position is reflective of the Group's bank loans which are not repayable until 2025 or a business sale event. As such, these factors are not considered to impact the Group's assessment for going concern.

Management have also performed sensitivity analysis on the forecast model by reviewing the impact of a material reduction in or change in mix of new business, and increased customer attrition. This analysis demonstrates that the Group can continue as a going concern. At the time of preparing these statements, the Group's performance is in line with expectation for the year ending 31 October 2023.

The Group's business model has proven resilient through an unprecedented period. The Group has not seen any material customer insolvency events because of Covid. The directors have considered the Company's and Group's cash position, whilst also reviewing the forecast. This review has allowed the directors to form a judgement at the time of approving the financial statements that there is reasonable expectation that the Company and Group have sufficient resources to continue in operation for the foreseeable future. For this reason, the directors consider the adoption of the going concern basis in preparing the financial statements is appropriate.



**Ask4 (Midco2) Limited (Registered number: 10849070)**

**REPORT OF THE DIRECTORS**  
**for the Year Ended 31 October 2022**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**APPROVED AND SIGNED ON BEHALF OF THE BOARD:**



.....  
R D Mogg - Director

Date: 6 April 2023

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**

### **ASK4 (MIDCO2) LIMITED**

#### **Opinion**

We have audited the financial statements of Ask4 (Midco2) Limited (the 'company') for the year ended 31 October 2022, which comprise the Statement of Comprehensive Income, Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, 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 October 2022 and of its result 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**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**

### **ASK4 (MIDCO2) LIMITED**

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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

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 Report of the Directors.

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

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, 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**

### **ASK4 (MIDCO2) LIMITED**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and Companies Act 2006).
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We enquired of management and those charged with governance, concerning the company's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations; and
  - the detection and response to the risks of fraud.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated the results of our enquiries to relevant supporting documentation.
- Audit procedures performed by the engagement team included:
  - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
  - testing a sample of journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed noncompliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates;
  - understanding of the legal and regulatory requirements specific to the company including:
    - the provisions of the applicable legislation;
    - the applicable statutory provisions.
- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in relation to the estimation and judgemental areas with a risk of fraud and through management override of controls in the preparation of the financial statements.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the company's operations, including the nature of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the applicable statutory provisions;
  - the company's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the company's compliance with regulatory requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**

**ASK4 (MIDCO2) LIMITED**

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.

*Grant Thornton UK LLP*

**Andrew Turner FCA**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
**Birmingham**

**Date: 6 April 2023**

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the Year Ended 31 October 2022**

|                                      | <b>2022</b> | <b>2021</b> |
|--------------------------------------|-------------|-------------|
|                                      | <b>£</b>    | <b>£</b>    |
| <b>TURNOVER</b>                      | -           | -           |
| <b>OPERATING PROFIT and</b>          |             |             |
| <b>PROFIT BEFORE TAXATION</b>        | -           | -           |
| Tax on profit                        | -           | -           |
| <b>PROFIT FOR THE FINANCIAL YEAR</b> | -           | -           |

The notes form part of these financial statements

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**OTHER COMPREHENSIVE INCOME**  
**for the Year Ended 31 October 2022**

|   | Notes | 2022<br>£ | 2021<br>£ |
|---|-------|-----------|-----------|
| PROFIT FOR THE YEAR                     |       | -         | -         |
| OTHER COMPREHENSIVE INCOME              |       | -         | -         |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR |       | -         | -         |

The notes form part of these financial statements

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**STATEMENT OF FINANCIAL POSITION**  
**31 October 2022**

|  |       | 2022       | 2021       |
|--|-------|------------|------------|
|  | Notes | £          | £          |
| <b>FIXED ASSETS</b>                          |       |            |            |
| Investments                                  | 4     | 1          | 1          |
| <b>CURRENT ASSETS</b>                        |       |            |            |
| Debtors                                      | 5     | 48,449,921 | 48,449,921 |
| <b>CREDITORS</b>                             |       |            |            |
| Amounts falling due within one year          | 6     | 48,449,921 | 48,449,921 |
| <b>NET CURRENT LIABILITIES</b>               |       | -          | -          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 1          | 1          |
| <b>CAPITAL AND RESERVES</b>                  |       |            |            |
| Called up share capital                      | 7     | 1          | 1          |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | 1          | 1          |

The financial statements were approved by the Board of Directors and authorised for issue on 6 April 2023 and were signed on its behalf by:

.....  
R D Mogg - Director

The notes form part of these financial statements



**Ask4 (Midco2) Limited (Registered number: 10849070)**

**STATEMENT OF CHANGES IN EQUITY**  
**for the Year Ended 31 October 2022**

|                            | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£ |
|----------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 November 2020 | 1                                  | -                         | 1                    |
| Changes in equity          |                                    |                           |                      |
| Balance at 31 October 2021 | 1                                  | -                         | 1                    |
| Changes in equity          |                                    |                           |                      |
| Balance at 31 October 2022 | 1                                  | -                         | 1                    |

The notes form part of these financial statements

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 October 2022**

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**1. STATUTORY INFORMATION**

Ask4 (Midco2) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**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 Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's parent undertaking, Ask4 (Midco1) Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Ask4 (Midco1) Limited are available from the company's registered office.

The following principal accounting policies have been applied:

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ask4 Midco 1 Limited as at 31 October 2022 and these financial statements may be obtained from Ask4 Midco 1 Limited, Devonshire Green House, 14 Fitzwilliam Street, Sheffield, England, S1 4JL.

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 October 2022**

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**2. ACCOUNTING POLICIES - continued**

**2.2 Going concern**

Ask4 (Midco2) Limited is a wholly owned subsidiary of Ask4 (Midco1) Limited and is reliant on the continuing financial support and success of the Ask4 (Midco1) Limited group (the Group).

As part of considering going concern, management have prepared profit & loss, balance sheet and cash flow forecasts extending to 30 April 2024. This forecast takes into account the Group's current sales pipeline and assumes continued growth in its core markets beyond this, with appropriate ongoing investment in additional overheads to support this growth. Existing contracts have been reviewed in order to consider the likely impact at renewal, both in terms of EBITDA and cash. Capital investment is assumed to continue at similar levels to prior years, relative to volume. It is also assumed that the Group's current debt facility will remain in place throughout the forecast period. The current facility expires in March 2025.

At 31 October 2022, the Group had £45.5m of bank loans through a mix of term and revolving facilities. The total available committed facility is currently £51m. Management's forecast indicates that the Group will have sufficient funds to service these loans and that there is sufficient EBITDA headroom against the Group's banking covenant throughout the forecast period. Group cash at 31 October 2022 was £4.4 million (2021: £8.8 million). With a significant proportion of the Group's billing being annually in advance in August & September and the largest element of installation activity taking place during the summer months, the Group has a seasonal nature to its cash profile. As such, suitable cash and facility headroom has been appropriately assessed at the typical low point within the forecast period.

Although the Group continues to report a statutory operating loss after tax, this is after a significant amount of non-cash charges. These total in excess of £14 million in the period to 31 October 2022, and the associated cash impact is either already reflected in the Group's reported cash position or will not crystallise until a business sale event. Equally, the reported net liability position is reflective of the Group's bank loans which are not repayable until 2025 or a business sale event. As such, these factors are not considered to impact the Group's assessment for going concern.

Management have also performed sensitivity analysis on the forecast model by reviewing the impact of a material reduction in or change in mix of new business, and increased customer attrition. This analysis demonstrates that the Group can continue as a going concern. At the time of preparing these statements, the Group's performance is in line with expectation for the year ending 31 October 2023.

The Group's business model has proven resilient through an unprecedented period. The Group has not seen any material customer insolvency events because of Covid. The directors have considered the Company's and Group's cash position, whilst also reviewing the forecast. This review has allowed the directors to form a judgement at the time of approving the financial statements that there is reasonable expectation that the Company and Group have sufficient resources to continue in operation for the foreseeable future. For this reason, the directors consider the adoption of the going concern basis in preparing the financial statements is appropriate.

**2.3 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.4 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.

**2.5 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.6 Taxation**

Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.

**2.7 Valuation of investments**

**Ask4 (Midco2) Limited (Registered number: 10849070)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 October 2022**

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**2. ACCOUNTING POLICIES - continued**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 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.

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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.

**2.12 Judgments in applying accounting policies and key sources of estimation uncertainty**

There are no key assumptions concerning the future, and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

**3. EMPLOYEES AND DIRECTORS**

The Company has no employees other than the directors, who were remunerated by another company within the Ask4 (Midco1) Limited group.

**Ask4 (Midco2) Limited (Registered number: 10849070)****NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2022****4. FIXED ASSET INVESTMENTS****Fixed asset investments**

|                       | Investments in subsidiary companies |
|-----------------------|-------------------------------------|
| Cost                  | £                                   |
| At 1 November 2021    | <u>1</u>                            |
| At 31 October 2022    | <u>1</u>                            |
| <b>Net book value</b> |                                     |
| At 31 October 2022    | <u>1</u>                            |
| At 31 October 2021    | <u>1</u>                            |

| Name                                  | Principal activity        | Class of shares | Holding |
|---------------------------------------|---------------------------|-----------------|---------|
| Stream Topco Limited *                | Holding company           | Ordinary        | 100%    |
| Stream Midco Limited                  | Holding company           | Ordinary        | 100%    |
| Stream Acquisitions Limited           | Holding company           | Ordinary        | 100%    |
| Ask4 Limited                          | Internet service provider | Ordinary        | 100%    |
| Ask4 Europe Limited                   | Holding company           | Ordinary        | 100%    |
| Ask4 Poland Limited                   | Internet service provider | Ordinary        | 100%    |
| Ask4 Ireland Limited                  | Internet service provider | Ordinary        | 100%    |
| Ask4 Germany Limited                  | Internet service provider | Ordinary        | 100%    |
| Ask4 Portugal Limited                 | Internet service provider | Ordinary        | 100%    |
| Ask4 Spain Limited                    | Internet service provider | Ordinary        | 100%    |
| Ask4 Netherlands Limited              | Internet service provider | Ordinary        | 100%    |
| Ask4 Nordics Limited                  | Internet service provider | Ordinary        | 100%    |
| Ask4 Trustees Limited                 | Holding company           | Ordinary        | 100%    |
| Ask4 Austria Limited                  | Internet service provider | Ordinary        | 100%    |
| SM20091 Limited                       | Dormant                   | Ordinary        | 100%    |
| Ask4 Internet Services Europe Limited | Internet service provider | Ordinary        | 100%    |
| Ask4 Business Limited                 | Internet service provider | Ordinary        | 79.51%  |
| Metronap Limited                      | Internet service provider | Ordinary        | 79.51%  |
| Ask4 Data Centres Limited             | Internet service provider | Ordinary        | 79.51%  |
| Ask4 Solutions Limited                | IT Services               | Ordinary        | 79.51%  |
| Ask4 France Limited                   | Internet service provider | Ordinary        | 100%    |
| Ask4 Integrated Services Limited      | Holding company           | Ordinary        | 79.51%  |
| Ask4 Italy Limited                    | Internet service provider | Ordinary        | 100%    |
| Ask4 America LLC                      | Internet service provider | Ordinary        | 100%    |

\*held directly

The registered address of Ask4 Internet Services Europe Limited is Calle Orense, 62, Madrid, Spain, 28020.

The registered address of Ask4 America LLC is 251 Little Falls Drive, Wilmington, DE, USA, 19808.

All others subsidiaries have the same registered address of Devonshire Green House, 14 Fitzwilliam Street, Sheffield, England, S1 4JL.

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2022              | 2021              |
|------------------------------------|-------------------|-------------------|
|                                    | £                 | £                 |
| Amounts owed by group undertakings | <u>48,449,921</u> | <u>48,449,921</u> |

Amounts owed by group undertakings, headed by Ask4 (Midco1) Limited, attract no interest and are deemed to be repayable on demand.

**Ask4 (Midco2) Limited (Registered number: 10849070)****NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2022****6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2022<br>£         | 2021<br>£         |
|------------------------------------|-------------------|-------------------|
| Amounts owed to group undertakings | <u>48,449,921</u> | <u>48,449,921</u> |

Amounts owed to parent undertakings, headed by Ask4 (Midco1) Limited, attract no interest and are deemed to be repayable on demand.

**7. CALLED UP SHARE CAPITAL****Allotted, issued and fully paid:**

| Number: | Class:                             | Nominal<br>value: | 2022<br>£ | 2021<br>£ |
|---------|------------------------------------|-------------------|-----------|-----------|
| 1       | Allotted, called up and fully paid | 1                 | <u>1</u>  | <u>1</u>  |

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**8. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption in FRS 102 section 33 from disclosing transactions with related parties that are wholly owned by Ask4 (Midco1) Limited.

**9. CONTROLLING PARTY**

The Company's immediate parent undertaking is Ask4 (Midco1) Limited, a company incorporated in England and Wales. The ultimate parent undertaking and controlling party is Bowmark Capital LLP, a limited liability partnership registered in England and Wales, by virtue of shareholdings held by funds under its management.

The smallest and largest group undertaking in which the results of the Company are consolidated is Ask4 (Midco1) Limited. The consolidated financial statements of Ask4 (Midco1) Limited are available from Devonshire Green House, 14 Fitzwilliam Street, Sheffield, South Yorkshire, United Kingdom, S1 4JL.

**10. CONTINGENT LIABILITIES**

The Company along with fellow group undertakings within the Ask4 (Midco2) group, has given a guarantee in respect of the bank borrowings of Ask4 (Buyco) Limited. At 31 October 2022, the Company and fellow group undertakings guaranteed £45,773,245 (2021: £44,011,905) of bank borrowings. The guarantee is secured by a charge over the Company's and fellow group undertakings assets.

**11. AUDITOR'S REMUNERATION**

The audit fees have been borne by another group company in the Ask4 (Midco1) Limited group.