

DRIVE MIDCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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DRIVE MIDCO LIMITED

COMPANY INFORMATION

Directors	O Saleh N Howell
Company number	12043082
Registered office	Queensway House 11 Queensway New Milton Hampshire United Kingdom BH25 5NR
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London United Kingdom WC2N 6RH
Bankers	NatWest Group 156 High Street Southampton Hampshire S014 2NP

DRIVE MIDCO LIMITED

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DRIVE MIDCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Drive Midco Limited (the "Company") is an intermediate holding company for the Drive Topco Limited Group (the "Group"). The Group operates through FirstPort, the UK's largest residential property services business, with over 40 years' experience and a large satisfied customer base.

Business Review

Financial performance

Debt costs for the year ended 31 December 2021 were £6,874k (2020: £5,608k).

Financial position

The Company has net liabilities of £14,010k (2020: £7,136k). This relates to shareholder loan notes held by shareholders of the Group and the accrued interest on the same loan notes.

During the year, the Group acquired 100% of the share capital of the Freemont Property Managers Limited and 100% of the share capital of the Arcturus Group ("Blenheims").

Given the nature of this Company, there are no specific financial and non-financial key performance indicators.

Future developments

On 25 March 2022, the Board agreed the sale of the Group to Emeria, subject to approval by the Financial Conduct Authority. We are extremely excited to be joining Emeria who are the European leader in residential real estates services. Following completion, the Group will remain operationally independent, with no impact to the Group's customers, clients, employees or suppliers. During 2022, the Company will continue to support the Group's operating business until completion after which the Company is expected to be repaid the loan notes it has issued and is then expected to become dormant.

The Group has demonstrated its growth and resilience through 2021 and is well positioned to successfully meet the changing demands of an important and evolving industry. The business remains in a strong position moving out of 2021, having made two strategic acquisitions in year, possessing a record orderbook of new business to mobilise, a new digital tech platform, and having commenced its diversification into the lettings market.

The Board remains committed to delivering people-first market-leading services through excellent customer service, new technology, and outstanding employee engagement. FirstPort is ready to build upon its position as a leading residential service provider.

Corporate Social Responsibility

The Group recognises the importance of the way in which its portfolio companies operate and understands that our business operations must be carried out with consideration for the safety and well-being of our people, customers, business partners and the local communities in which they exist and with whom they interact.

Health and Safety

FirstPort has achieved a five-star Health and Safety rating from the British Safety Council for six consecutive years, in addition to the British Safety Council's prestigious Sword of Honour in 2019. 2021 was no different but the Group went further by inviting ISO45001 safety assessors to scrutinise the management systems and processes in place. Two audits were performed in year by the British Safety Council and an accredited ISO partner which resulted in a successful outcome on both measures. The awards demonstrate not only that the Group has strong safety management systems and processes in place, but also has a company-wide culture of recognising and responding well to the risks of managing complex home environments with many users and stakeholders. Everyone in the company is proud of this 'safety first' culture and remains committed to it.

We take our safety obligations across office, operational, and development sites very seriously, along with the risks to staff travelling between locations. These obligations extend to staff, residents, visitors, contractors, and members of the public. Risks are mitigated by our strong policies and health and safety culture, a safety risk register, continuous training and monitoring, and reporting of accidents and near misses.

DRIVE MIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Employees

The Company does not directly have any employees, however the Group recognises that our people play a leading role in our service delivery and are central to how our brand is experienced in homes and in society. We are proud that our people bring diverse skills and experiences yet are united in their professionalism and dedication to caring for customers home environments in shared living communities. The growth in our business brings ever more diversity to celebrate and that growth saw the number of colleagues expand to almost 4,000 employees, all of whom have helped us become the business we are today.

We truly believe in the people we employ and, to support that belief, offer a wide range of tools and options to help them develop and progress their careers in the Group. We place great importance on ensuring colleagues are trained and able to realise their potential. Our management process helps identify any additional training required to help colleagues pursue and remain competent in their roles. Our e-learning platform includes modules designed to make sure we all act in a lawful and compliant way while conducting day-to-day duties including data privacy, anti-bribery and anti-money laundering, modern slavery, and health and safety legislation. For high-risk topics employees are required to complete this training annually as part of our governance framework.

To support employee growth online training modules also include a range of personal development topics, from presentation and time-management skills, through becoming a supervisor, to how to lead, mentor and coach others. Other routes to develop our people include a well-regarded graduate scheme, face-to-face training, involvement in projects and assignments, and webinars. Additionally, we operate a robust and active equal opportunity policy and pride ourselves on our diverse workforce. Our employees successfully bring together different competencies, skills and specialisms, educational backgrounds, ethnicity, religious beliefs, and physical abilities, and we judge performance without prejudice or discrimination. All colleagues are welcomed and supported in our inclusive culture that also enables and supports the recruitment of disabled workers. We continue to support our employees to pursue relevant professional qualifications, particularly with the Institute of Residential Property Management (IRPM). Should an existing employee's circumstance change, it is the Group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, support, career development and promotion wherever possible.

Our commitment to our employees is unwavering and we have again seen that recognised by the Top Employers Institute. Following a rigorous assessment in late 2021, FirstPort has been named one of the UK's 2021 Top Employers – a prestigious certification that we have now achieved for four consecutive years. This accreditation, alongside our 4.1 out of 5 rating on employee review site Glassdoor, sets FirstPort apart as a true industry leader.

As a business we consult and discuss with colleagues, both individually and collectively, about any matters likely to impact their interests. We value open communication, with important information and updates shared with employees through regular news bulletins, as well as monthly CEO and executive updates, to ensure all our colleagues are aware of changes affecting our business. Our new colleague engagement platform is also playing its part in encouraging feedback and providing the analytics to help us continually improve. The Group also operates an annual bonus plan to encourage the involvement of employees.

We understand the importance of physical and mental wellbeing, and this is more important than ever in the unprecedented circumstances that the UK and the World have faced. Our employees' health and wellbeing are supported through our Employee Assistance Programme, as well as colleagues trained as Mental Health First Aiders. During COVID-19, regular communications and additional support have been provided to employees across the business, from sharing information on available mental health resources to tips for home-schooling parents.

DRIVE MIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Ethical standards and principles

Ethics and transparency are integral to how we do business and the cornerstones of our principles. We have strong corporate governance policies and safeguards in place and a track record of abiding by and promoting high ethical standards. All our employees are responsible for adhering to our business practices which follow both the letter and the spirit of the law, as well as our Code of Conduct that reflects the highest standards of corporate and individual behaviour.

Environmental and social responsibility

We support our people's enthusiasm for helping local communities and contributing toward charitable work in the wider communities where we operate. Over the course of our three-year corporate charity partnership with Centrepont we achieved and exceeded our £100,000 fundraising milestone. Colleagues personally connected with the cause helping to raise awareness of youth homelessness in the UK, including amplifying the Centrepont messaging on FirstPort social media, in our Life & Style magazine, and in numerous volunteering initiatives.

Following feedback from our colleagues and significant internal wellbeing efforts on mental health during the pandemic, the Group has now decided to partner with the mental health charity, Mind, and their equivalent in Scotland, SAMH. This partnership will show our caring character again by empowering the charities to reach more people nationally through our collective fundraising efforts, volunteering, and social projects.

DRIVE MIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal Risks & Uncertainties

The Group's and Company's principal risks and uncertainties are set out in the table below together with their potential impact on our business and the measures we take to manage and mitigate them.

Risk	Risk Description	Mitigation
Health and safety ("H&S")	The risk of breaches of H&S standards resulting in injuries, environmental damage or physical damage to property leading to financial penalties, reputational damage and delays to site related activities	<ul style="list-style-type: none">• Dedicated H&S team under the guidance of skilled H&S Director• Robust H&S culture with safety risk register
Contract retention	The risk associated to the dependency on key client/customer contracts and the loss of contracts	<ul style="list-style-type: none">• Delivery of high-quality customer service under standardised 'four pillars' approach• Maintaining a regular dialogue with individual and business customers• Commitment to the principles set out in its Customer Charter
Reputation	The risk of damage to brand name or reputation either through our people, our behaviours, or third parties acting on our behalf	<ul style="list-style-type: none">• Improvement in customer service and clear complaints processes reduce the risk of issues escalating• Monitoring and responding to customer feedback on employees and third party supplier services• Policies and whistle-blower hotline
Economic risks and changes in market dynamics	Failure to respond effectively to developments in the broader economy, competition and other market or fiscal dynamics, including Brexit and the COVID-19 pandemic	<ul style="list-style-type: none">• Resilient UK based business model• Significant experience and expertise in chosen markets• Frequent review of competition• Market insight and intelligence
Financial management	Failure to maintain appropriate financial controls throughout the business, including the management of debt covenants, credit risk, fraud risk and taxation	<ul style="list-style-type: none">• Experienced finance team• Financial control environment• Close monitoring of financial performance, debt covenants and credit risk by senior management• Board oversight of financial performance
Systems dependence and business continuity	The risk associated with the non-delivery and future-proofing of our technology, including the potential impact of business interruption through systems and facilities	<ul style="list-style-type: none">• Investment in appropriate technology and staff• IT governance structure• IT resilience and disaster recovery plans designed to restore service• Business continuity plan for each business operational office• Cyber security accreditation

DRIVE MIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal Risks & Uncertainties (continued)

Risk	Risk Description	Mitigation
Legal and regulatory compliance	The risk of failing to comply with relevant laws, regulations and Standards including Anti-Money Laundering, Corporate Criminal Offences, Gender Pay Reporting and Modern Slavery	<ul style="list-style-type: none">• Employment of qualified advisors both internally and externally who report regularly to the Board about all significant legislative changes in the UK• Development of internal policies and procedures to ensure adequate capture of legal and regulatory compliance issues• Maintenance of risk register for all current regulatory issues• Training programmes for staff
People Risk	The risk that we fail to attract and retain high calibre employees in order to deliver on all aspects of our strategy	<ul style="list-style-type: none">• HR strategy encompassing recruitment, reward, retention, talent development and performance management• Succession planning for middle and senior management• Regular review of top talent in the organisation regardless of level by all executive members
Data protection and privacy risk	The risk of the loss or misuse of customer or employee data	<ul style="list-style-type: none">• Information security policies encompassing data protection• Investment in appropriate technology and staff• General data protection regulation (GDPR) steering committee• Breach register and ICO registration

DRIVE MIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Governance and risk management

The Board and management team

Drive Midco Limited has a board comprising of two directors and is ultimately owned and controlled by Drive Topco Limited ("Group"). The Group has policies in place that are applicable and adhered to by the Company.

The Group's board meets at least ten times per annum. Regulatory matters are reviewed and considered at Board meetings.

Internal control and risk management

Our approach to internal control is delivered through senior management oversight via a dedicated internal governance and compliance team. A monthly update is provided to the CEO and CFO of the business with more formal quarterly internal control meetings being held based on the Board's agreed risk framework, mitigating strategies, and the latest status of the risks. Any changes or matters of concern are reported to the full Board. As a Group we also maintain and monitor a set of detailed policy documents across all areas of our operations, including health and safety, procurement, finance, and governance (including competition and bribery). We use the support of external experts to conduct ad hoc reviews of specific areas of the business that the Board considers may present significant risk.

External audit

The performance of the auditors is overseen by the Audit Committee of Drive Topco Limited. Our auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Financial risk management

The Group's operations expose us to a variety of financial risks that include the effects of credit, liquidity, cashflow and interest rate risk. There are robust controls in place to limit any adverse impact on our Group's performance by monitoring potential financial risks. Given the business' size, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board.

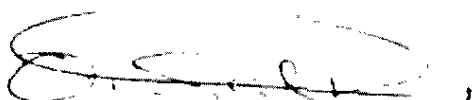
Our Group's exposure to interest rate risk was assessed by management and considered low. We have a large base of UK residential and commercial customers, which reduces the concentration of credit risk. Where we transact with corporate customers, our credit control teams follow strict processes for managing and mitigating the risk of non-payment of charges.

The Group has cash management and forecasting processes in place to manage cashflow and liquidity within our existing financing.

Approval of Strategic Report

This Annual Report comprises a strategic report for the Company which has been drawn up and presented in accordance with, and in reliance upon, applicable English company law, in particular Chapter 4A of the Companies Act 2006, and the liabilities of the directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

Approved by the Board of Directors and signed on behalf of the Board.



O Saleh

Director

28 April 2022

DRIVE MIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activity is that of an intermediate holding company. The Company forms part of Drive Topco Limited (the "Group").

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

O Saleh

N Howell

Results and dividends

The results for the year are set out in the profit and loss account on page 16.

No ordinary dividends were paid for the year ended 31 December 2021 (2020: £nil). The directors do not recommend payment of a final dividend for the year ended 31 December 2021 (2020: £nil).

Directors' insurance

The Group maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Group. This is a qualifying third party indemnity provisions made for the benefit of its directors during the year. These provisions remain in force at both the reporting date and the date of signing these financial statements.

Future developments

The future developments of the business are discussed in the Strategic report on page 1.

Financial risk management

Information on financial risk management is included in the Strategic report on page 6.

Going concern

The Company currently has net liabilities as at 31 December 2021 and therefore the directors have received confirmation that Drive Topco Limited intends to provide financial support for a period of at least 12 months from the date of signing these financial statements.

On 25 March 2022, the Board executed a sale and purchase agreement for the sale of 100% of the issued share capital of Drive Topco Limited to Emeria UK Res Newco Limited ("Emeria"), the European leader in residential real estate services. Completion of this transaction is subject to approval by the Financial Conduct Authority. The Directors have considered the impact of this in assessing the Group's ability to continue as a going concern. The Directors believe that there is no reason there will be any impact on the Group's ability to continue to operate as a going concern. Further information on this and going concern is included in note 1.4.

DRIVE MIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



O Saleh

Director

28 April 2022

DRIVE MIDCO LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DRIVE MIDCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Drive Midco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Profit and Loss Account and Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

Drive Midco Limited is an intermediate holding company within the Drive Topco Group.

Overview

Audit scope

- Our audit work in respect of the company consists of procedures covering the material balances including investment in subsidiary, debt arrangements and intercompany balances.

Key audit matters

- Going concern

Materiality

- Overall materiality: £616,000 (2020: £615,000) based on 1% of total assets.
- Performance materiality: £462,000 (2020: £460,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

DRIVE MIDCO LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF DRIVE MIDCO LIMITED

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Going concern is a new key audit matter this year. Risks posed by Covid-19 pandemic, which was a key audit matter last year, is no longer included because of the risks posed by Covid-19 no longer significantly affecting the activities of the Group. Otherwise, the key audit matters below are consistent with last year.

DRIVE MIDCO LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF DRIVE MIDCO LIMITED

Key audit matter

Going concern

Drive Midco Limited is a non-trading intermediate holding company in the group headed by Drive Topco Limited (Drive Topco Group). The entity is in a net liability position of £14.0m and therefore the Directors have relied on a letter of support from the Directors of the parent company, Drive Topco Limited, in assessing going concern. The ability of Drive Topco Limited to provide the company with such support is dependent upon the future business performance and liquidity of Drive Topco Limited and its subsidiary undertakings ("Drive Group") and its ongoing compliance with the terms of its financing agreements.

The assumptions used to support the future profitability of the Drive Group involve the application of subjective estimates about future business performance. The Drive Group's cash flow's forecast for the period to June 2023, contain assumptions over the revenue, profitability and cash generation of the Group. These forecasts have been stress tested for severe but plausible scenarios that could impact the Group.

In addition, on 25 March 2022, a sale and purchase agreement for the sale of 100% of the issued share capital of Drive Topco Limited to Emeria Res UK Newco Limited was signed. Completion of this transaction remains subject to approval by the Financial Conduct Authority.

How our audit addressed the key audit matter

Drive Midco Limited relies on a letter of support from the parent company (Drive Topco Limited). In relying on this letter of support the Directors have considered the financial position and performance of Drive Topco Limited and we have evaluated the Directors going concern assessment including performing the following procedures:

- Understanding the process by which the forecasts were prepared and confirmed that they had been approved by the Board;
- Evaluating the key assumptions in the forecasts by performing sensitivities and looking at the trends and relationships;
- Testing the forecast revenue and EBITDA figures with reference to the additional amounts contributed by the acquisitions made, assumed efficiencies from the acquisitions and other projects and assumptions made in relation to price and churn;
- Comparing the prior year forecasts against current year actual performance to assess management's ability to forecast accurately;
- Obtaining and reperforming the Group's forecast covenant compliance calculations, including sensitising the profits and cash flows as applicable for each covenant to assess the potential impact of our downside sensitivities on covenant compliance;
- Obtaining and reading the key documents associated with the acquisition by Emeria UK Res Newco Limited (Emeria) including the Sale and Purchase Agreement and equity and debt commitment letters;
- Meeting with the management of Emeria in order to understand their plans for the Drive Group; and
- Assessing the disclosures provided relating to the going concern basis of preparation. We found that these provided an explanation of the Directors' assessment that was consistent with the evidence we obtained.

Our findings in respect of going concern can be found in the "Conclusions relating to going concern" section below.

DRIVE MIDCO LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF DRIVE MIDCO LIMITED

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£616,000 (2020: £615,000).
How we determined it	1% of total assets
Rationale for benchmark applied	Drive Midco Limited is an intermediary holding company. It has an investment in the subsidiary Drive Bidco Limited and has also issued shareholder loan notes and made loans to other entities in the Drive Group. Therefore we believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, and it is a generally accepted benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £462,000 (2020: £460,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above 30,800 (2020: 30,750) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

DRIVE MIDCO LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF DRIVE MIDCO LIMITED

Conclusions related to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

DRIVE MIDCO LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF DRIVE MIDCO LIMITED

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of employment laws, health and safety regulations, data protection, tax legislation and the International stock exchange listing rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in relation to areas of judgement and significant accounting estimates;
- Testing journal entries meeting set risk criteria, in particular any journal entries posted with unexpected account combinations resulting in a credit entry to costs, journal entries containing unusual words and any journals posted by senior management;
- Review of board minutes throughout the year and legal costs incurred to understand if these are indicative of any wider non-compliance or fraud matters.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

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.

DRIVE MIDCO LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF DRIVE MIDCO LIMITED

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime. We have no exceptions to report arising from this responsibility.



Diane Walmsley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 April 2022

DRIVE MIDCO LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

PROFIT AND LOSS ACCOUNT

	Notes	2021 £	2020 £
Interest payable and similar expenses	6	(6,874,359)	(5,607,962)
Loss before taxation		<u>(6,874,359)</u>	<u>(5,607,962)</u>
Tax on loss	7	-	-
Loss for the financial year		<u><u>(6,874,359)</u></u>	<u><u>(5,607,962)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

	2021 £	2020 £
Loss for the year	(6,874,359)	(5,607,962)
Other comprehensive income	-	-
Total comprehensive expense for the year	<u><u>(6,874,359)</u></u>	<u><u>(5,607,962)</u></u>

DRIVE MIDCO LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	8		94,000		94,000
Current assets					
Debtors	9	61,490,986		61,490,986	
Cash at bank and in hand		3,861		3,861	
		<u>61,494,847</u>		<u>61,494,847</u>	
Creditors: amounts falling due within one year	10	<u>(51)</u>		<u>(51)</u>	
Net current assets			61,494,796		61,494,796
Total assets less current liabilities			<u>61,588,796</u>		<u>61,588,796</u>
Creditors: amounts falling due after more than one year	11		(75,599,073)		(68,724,714)
Net liabilities			<u>(14,010,277)</u>		<u>(7,135,918)</u>
Capital and reserves					
Called up share capital	12		94,000		94,000
Profit and loss account			(14,104,277)		(7,229,918)
Total equity			<u>(14,010,277)</u>		<u>(7,135,918)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 19 to 34 form an integral part of these financial statements.

The financial statements on pages 16 to 34 were approved by the board of directors and authorised for issue on 28 April 2022 and are signed on its behalf by:



O Saleh
Director

Company Registration No. 12043082

DRIVE MIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2020	94,000	(1,621,956)	(1,527,956)
Year ended 31 December 2020:			
Loss and total comprehensive expense for the year	-	(5,607,962)	(5,607,962)
Balance at 31 December 2020	94,000	(7,229,918)	(7,135,918)
Year ended 31 December 2021:			
Loss and total comprehensive expense for the year	-	(6,874,359)	(6,874,359)
Balance at 31 December 2021	94,000	(14,104,277)	(14,010,277)

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

General information

Drive Midco Limited is a private company limited by shares incorporated in England and Wales (United Kingdom). The registered office is Queensway House, 11 Queensway, New Milton, Hampshire, United Kingdom, BH25 5NR.

The Company acts as an intermediate holding company for the Drive Topco Limited group.

1.1 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.3 Basis of preparation

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a wholly owned subsidiary of Drive Topco Limited and its results are included in the consolidated financial statements of that entity.

These financial statements are prepared on a going concern basis and under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting policies (Continued)

1.4 Going concern

The Company currently has net liabilities as at 31 December 2021 and therefore the directors have received confirmation that Drive Topco Limited intends to provide financial support for a period of at least 12 months from the date of signing these financial statements.

The operations of the Company are managed as part of the Drive Topco Limited Group ("Group"). The Company is funded via the Group's bank facilities and therefore manages its day-to-day working capital requirements in line with the Group's facilities. The ability of the Group to service its debt obligations is critical to the ongoing trading of the business and the Directors have considered the key factors that could have an impact on trading and whether an adverse change in these factors could affect our ability to meet our liabilities. The Group has a considerable number of on-going management contracts and accordingly the forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities for a period of at least 12 months from the signing date of these accounts.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least the period of twelve months following the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

On 25 March 2022, the Board executed a sale and purchase agreement for the sale of 100% of the issued share capital of Drive Topco Limited to Emeria UK Res Newco Limited ("Emeria"). Completion of this transaction is subject to approval by the Financial Conduct Authority and is expected to complete within the next 12 months. The Directors have considered the impact of this in assessing the Group's ability to continue as a going concern. The Group's forecast to June 2023, including the "severe" scenario described above, shows that the Group will generate cash with a positive cash balance and so isn't reliant on any further funding. The Directors have held numerous discussions with Emeria and reviewed various documents as part of the sale process in regards to Emeria's financing and future plans and intentions of the Group. The Directors are satisfied that Emeria have sufficient financing in place and that post-completion, the Group will remain operationally independent as the UK subsidiary of Emeria, with the Group's existing management team remaining in place. Based on the above and on the Directors discussions with Emeria, there is no reason for the Directors to believe that there will be any impact on the Group's ability to continue to operate as a going concern.

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.5 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows required under FRS 102 paragraph 3.17(d), on the basis that it is a qualifying entity and a consolidated statement of cash flows is included in the consolidated financial statements of the company's ultimate parent, Drive Topco Limited, which includes any cash flows of the company;

(ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information, to the extent required, is provided in the consolidated financial statement disclosures of Drive Topco Limited;

(iii) from disclosing the company key management personnel compensation, required by FRS 102 paragraph 33.7, as the information is provided in the consolidated financial statement disclosures of Drive Topco Limited; and

(iv) from disclosing related party transactions, required under FRS 102 paragraph 33.9, on the basis that Drive Topco Limited has control, joint control or significant influence over both the company and the related entities.

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.6 Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the related tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is also recognised in relation to assets and liabilities acquired in a business combination where the amount that will be deducted or assessed for tax differs to the fair value at which the asset or liability is recognised on acquisition in the financial statements. The tax base of an asset or liability is determined based on the expected manner of recovery.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities arise from income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an ability and intention to settle the balances at the same time.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting policies (Continued)

1.8 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts.

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.10 Financial instruments

The Company has elected to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and related parties and bank overdrafts, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.12 Related parties

The Company discloses transactions with related parties not wholly owned by Drive Topco Limited. It does not disclose transactions with other group companies wholly owned by Drive Topco Limited.

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(a) Critical accounting judgements in applying the company's accounting policies

There are no areas within the financial statements where management has been required to apply a critical judgement.

(b) Key accounting estimates and assumptions

There are no areas within the financial statements which are subject to significant accounting estimates or assumptions.

3 Operating expenses

The cost of auditing these financial statements for the year ended 31 December 2021 was £12,789 (2020: £12,180). These costs have been borne by FirstPort Limited.

There were no non-audit costs paid to the Company's auditors in the year.

4 Employees

There were no employees during the year ended 31 December 2021 (2020: nil) with the exception of the directors.

5 Directors' remuneration

The directors are remunerated by Drive Bidco Limited as their services to the Company are merely incidental to their employment in other group companies. Details of the directors' remuneration can be found in the financial statements of Drive Bidco Limited.

6 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on shareholder loans	6,874,359	5,607,962

7 Tax on loss

	2021 £	2020 £
UK corporation tax on loss for the current year	-	-
Total current tax	-	-

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Tax on loss (Continued)

The charge for the year can be reconciled to be the loss before taxation per the profit and loss account as follows:

	2021 £	2020 £
Loss before taxation	(6,874,359)	(5,607,962)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(1,306,128)	(1,065,513)
Tax effect of expenses that are not deductible in determining taxable profit	-	1,065,505
Group relief	(699,618)	(638,985)
Transfer pricing	699,618	638,993
Movement in deferred tax not recognised	1,306,128	-
Taxation charge for the year	-	-

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%.

8 Investments

	Notes	2021 £	2020 £
Investments in subsidiaries	16	94,000	94,000

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2021 & 31 December 2021	94,000
Carrying amount	
At 31 December 2021	94,000
At 31 December 2020	94,000

9 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Amounts owed by group undertakings	61,490,986	61,490,986

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Debtors (Continued)

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	51	51

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Shareholder loans - principal		61,494,846	61,494,846
Interest on shareholder loans		14,104,227	7,229,868
		<u>75,599,073</u>	<u>68,724,714</u>

The Company has one class of shareholder loan note instrument in issue at the balance sheet date. These are held by the shareholders of the parent entity of the Group, Drive Topco Limited. The 10 year loan notes were issued as part of the acquisition of Knight Square Holdings Limited Group by funds managed by Equistone Partners Europe Limited in September 2019. These loan notes were listed on The International Stock Exchange on 19 December 2019.

During the year the Group issued no shareholder loan notes (2020: £10,446,580).

The principal outstanding on the shareholder loan notes in the Group as at 31 December 2021 was £61,494,846 (2020: £61,494,846).

Interest is payable on the outstanding balance at a rate of 10% of the principal, accrued on a daily basis. Interest on the Shareholder Loan Notes can be settled annually on 6 September by, at the Group's option, either the issue of Payment in Kind (PIK) Notes which rank ahead of the original notes or by deferral in which case compound interest will apply to the amount deferred.

Repayment of the Shareholder Loan Notes is due on the earlier of 6 September 2029 or exit.

12 Called up share capital

	2021 £	2020 £
Ordinary share capital Issued and fully paid		
94,000 (2020: 94,000) Ordinary shares of £1 each	94,000	94,000

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Related party transactions

Equistone Partners Europe Limited and the funds managed by Equistone Partners Europe Limited, registered in England and Wales, are regarded as related parties due to their shareholding in the Company, their provision of shareholder loans to the company, which gives them significant influence over the Company.

The key management personnel of the Group are considered to be the Directors of the Company and certain senior management employees of the Group. A number of the key management personnel have also provided funding to the Group via shareholder loans, and are shareholders of the Company.

Transactions with related parties

The funds managed by Equistone Partners Europe Limited and key management personnel are holders of Shareholder Loan Notes, which are included in Borrowings and incur interest expense. Details of these transactions and balances are shown in note 11.

14 Ultimate controlling party

The immediate parent undertaking is Drive Topco Limited.

In the opinion of the directors, the ultimate controlling party is funds managed by Equistone Partners Europe Limited. Equistone Partners Europe Limited is registered in England and Wales (United Kingdom).

Drive Topco Limited, a company registered in the United Kingdom under registration number 12043031, is the parent undertaking of the smallest and largest group of undertakings for which group financial statements are prepared.

The consolidated financial statements of Drive Topco Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ or from the Company's registered office at Queensway House, 11 Queensway, New Milton, Hampshire, UK, BH25 5NR.

15 Events after the reporting date

On 25 March 2022, the Board of directors of the Group executed a sale and purchase agreement for the sale of 100% of the issued share capital of Drive Topco Limited to Emerica Res UK Newco Limited. Completion of this transaction remains subject to approval by the Financial Conduct Authority.

On 12 April 2022, the Group acquired 100% of the issued share capital of Intire Limited, a lettings agency, for a cash consideration of £447k.

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Subsidiaries

Details of the Company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Company Registration No.	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Balfour Homes Management Limited	England & Wales No. 01986825 *	Dormant	Ordinary shares	-	100.00
Brook Farm Court Management Limited	England & Wales No. 02368738 *	Dormant	Ordinary shares	-	100.00
Cavendish Management (Norwich) Limited	England & Wales No. 01831847 *	Dormant	Ordinary shares	-	100.00
Consort Property Management Limited	England & Wales No. 03479620 *	Dormant	Ordinary shares	-	100.00
Edgewood Management Services Limited	England & Wales No. 02948602 *	Dormant	Ordinary shares	-	100.00
Edgewood Retirement Developments Limited	England & Wales No. 02086525 *	Dormant	Ordinary shares	-	100.00
Ferndale Retirement Management Limited	England & Wales No. 01709679 *	Dormant	Ordinary Shares	-	100.00
FirstPort Bespoke Property Services Limited	England & Wales No. 01623496 *	Property management	Ordinary shares	-	100.00
FirstPort HMF Limited	England & Wales No. 06776392 *	Investment property	Ordinary shares	-	100.00
FirstPort Insurance Services Limited	England & Wales No. 03479579 *	Insurance services	Ordinary shares	-	100.00
FirstPort Investment Properties Limited	England & Wales No. 04352393 *	Dormant	Ordinary shares	-	100.00
FirstPort Limited	England & Wales No. 04352396 *	Provision of shared services	Ordinary shares	-	100.00
FirstPort Operations PD Limited	England & Wales No. 06277828 *	Investment property	Ordinary shares	-	100.00
FirstPort Property Services Limited	England & Wales No. 02061041 *	Property management	Ordinary shares	-	100.00
FirstPort Property Services No.2 Limited	England & Wales No. 02231168 *	Property management	Ordinary shares	-	100.00
FirstPort Property Services No.3 Limited	England & Wales No. 04352415 *	Dormant	Ordinary shares	-	100.00
FirstPort Property Services No.4 Limited	England & Wales No. 07299764 *	Property management	Ordinary shares	-	100.00
FirstPort Property Services No.5 Limited	England & Wales No. 05876680 *	Property management	Ordinary shares	-	100.00
FirstPort Property Services Scotland Limited	England & Wales No. 03829468 *	Property management	Ordinary shares	-	100.00
FirstPort Retirement Limited	England & Wales No. 03479623 *	Dormant	Ordinary shares	-	100.00
FirstPort Secretarial Limited	England & Wales No. 05806647 *	Dormant	Ordinary shares	-	100.00
FirstPort Services Limited	England & Wales No. 09142979 *	Dormant	Ordinary shares	-	100.00
King George Court Management Limited	England & Wales No. 03175135 *	Dormant	Ordinary shares	-	100.00
FirstPort Retirement Property Services Limited	England & Wales No. 01614866 *	Property management	Ordinary shares	-	100.00

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Subsidiaries (Continued)

Knight Square Limited	England & Wales No. 07925019 *	Provision of shared services	Ordinary shares	-	100.00
Maclaren Management Services Limited	England & Wales No. 02142118 *	Dormant	Ordinary shares	-	100.00
Matterdale Gardens Management Limited	England & Wales No. 02142118 *	Dormant	Ordinary shares	-	100.00
Meridian Homes Limited	England & Wales No. 01972727 *	Dormant	Ordinary shares	-	100.00
Meridian New Homes Limited	England & Wales No. 02682974 *	Dormant	Ordinary shares	-	100.00
Meridian Property Group Limited	England & Wales No. 02306958 *	Dormant	Ordinary shares	-	100.00
Meridian Retirement Homes Limited	England & Wales No. 01885186 *	Dormant	Ordinary shares	-	100.00
Mint Property Management Limited	England & Wales No. 05643630 *	Dormant	Ordinary shares	-	100.00
OM Nominee Services Limited	England & Wales No. 06695871 *	Dormant	Ordinary shares	-	100.00
OM Property Management Limited	England & Wales No. 09143096 *	Dormant	Ordinary shares	-	100.00
OM Property Management No.2 Limited	England & Wales No. 09375984 *	Dormant	Ordinary shares	-	100.00
Pegasus Court (Abergavenny) Management Limited	England & Wales No. 02285749 *	Dormant	Ordinary shares	-	100.00
Pegasus Court (Barnwood) Management Limited	England & Wales No. 02311505 *	Dormant	Ordinary shares	-	100.00
Pegasus Court (Bourton-on- the-Water) Management Limited	England & Wales No. 02285752 *	Dormant	Ordinary shares	-	100.00
Pegasus Court (Broadway) Management Limited	England & Wales No. 02392014 *	Dormant	Ordinary shares	-	100.00
Pegasus Court (Fleet) Management Limited	England & Wales No. 02318677 *	Dormant	Ordinary shares	-	100.00
Pegasus Court (Paignton) Management Limited	England & Wales No. 02392342 *	Dormant	Ordinary shares	-	100.00
Pegasus Court Cheltenham (Management) Limited	England & Wales No. 01867554 *	Dormant	Ordinary shares	-	100.00
Pegasus Court Hartley Wintney (Management) Limited	England & Wales No. 02129138 *	Dormant	Ordinary shares	-	100.00
Pegasus Court Management Limited	England & Wales No. 02516929 *	Dormant	Ordinary shares	-	100.00
Pegasus Thamesnorth Management Limited	England & Wales No. 02636137 *	Dormant	Ordinary shares	-	100.00
Pembertons Maintenance Trustees (Aldford House) Limited	England & Wales No. 05111218 *	Dormant	Ordinary shares	-	100.00
Pembertons Residential Limited	England & Wales No. 09375969 *	Dormant	Ordinary shares	-	100.00
Peverel Building Technologies Limited	England & Wales No. 09221891 *	Dormant	Ordinary shares	-	100.00

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Subsidiaries (Continued)

Peverel Management Services Limited	England & Wales No. 09221891 *	Dormant	Ordinary shares	-	100.00
Peverel Property Management Limited	England & Wales No. 09146176 *	Dormant	Ordinary shares	-	100.00
Peverel Scotland Limited	England & Wales No. 09145223 *	Dormant	Ordinary shares	-	100.00
R.C. (Holdings) Limited	England & Wales No. 02968054 *	Holding company	Ordinary shares	-	100.00
R.C. Housing Limited	England & Wales No. 11012025 *	Property management	Ordinary shares	-	100.00
Renaissance Management Services Limited	England & Wales No. 03404510 *	Dormant	Ordinary shares	-	100.00
Retirement Care (Southern) Limited	England & Wales No. 02486317 *	Dormant	Ordinary shares	-	100.00
Retirement Care Group Ltd	England & Wales No. 02195300 *	Investment property	Ordinary shares	-	100.00
Retirement Care Limited	England & Wales No. 01706784 *	Dormant	Ordinary shares	-	100.00
Retirement Homeseach Limited	England & Wales No. 03829469 *	Specialist estate agent	Ordinary shares	-	100.00
Retirement Marketing Services Limited	England & Wales No. 02196442 *	Dormant	Ordinary shares	-	100.00
Sonata Insurance Services Limited	England & Wales No. 06704179 *	Dormant	Ordinary shares	-	100.00
Stonedale (2012) Limited	England & Wales No. 06544398 *	Dormant	Ordinary shares	-	100.00
Knight Square Holdings Limited	England & Wales No. 07925023 *	Holding company	Ordinary shares	-	100.00
Knight Midco Limited	England & Wales No. 07927619 *	Holding company	Ordinary shares	-	100.00
Drive Bidco Limited	England & Wales No. 12043128 *	Provision of shared services	Ordinary shares	100.00	-
Peverel Services Limited	England & Wales No. 09146279 *	Dormant	Ordinary shares	-	100.00
Amenity Property (Avon Meadows Bidford) Limited	England & Wales No. 08641151 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Britannia Mews Telford) Limited	England & Wales No. 09361899 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Cally Blue Fields Stockton) Limited	England & Wales No. 10461397 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Entech House Woolmer Green) Limited	England & Wales No. 12063981 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Himley View Dudley) Limited	England & Wales No. 08368398 **	Dormant	Ordinary Shares	-	100.00
Amenity Property (Hugesleah Place Highley) Limited	England & Wales No. 09792989 **	Dormant	Ordinary Shares	-	100.00
Amenity Property (Levett Grange Rugeley) Limited	England & Wales No. 07639525 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Lockside Walk Brierly Hill) Limited	England & Wales No. 09043198 **	Dormant	Ordinary shares	-	100.00

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Subsidiaries (Continued)

Amenity Property (Mellent Gardens Bedworth) Limited	England & Wales No. 12695871 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Millbrook Park London Phase 4A) Limited	England & Wales No. 10385756 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Millbrook Park London Phase 4C) Limited	England & Wales No. 11824467 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Millers Reach Stone) Limited	England & Wales No. 09245116 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Oakleigh Grove Whetstone) Limited	England & Wales No. 10704287 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Pennywell Walk Upton Upon Severn) Limited	England & Wales No. 10030643 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Postmark London) Limited	England & Wales No. 12002086 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Preedy Place Badsey) Limited	England & Wales No. 09155288 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Priory Gardens Market Drayton) Limited	England & Wales No. 07639333 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Saddlers Brook Walsall) Limited	England & Wales No. 07639422 **	Dormant	Ordinary Shares	-	100.00
Amenity Property (Scarlett Oaks Shifnal) Limited	England & Wales No. 10900315 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Sherford Plymouth Parcel B) Limited	England & Wales No. 10839931 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Sherford Plymouth Parcel F) Limited	England & Wales No. 10839976 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Sherford Plymouth Parcel G) Limited	England & Wales No. 10535172 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Sherford Plymouth Parcel J) Limited	England & Wales No. 11454909 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Sherford Plymouth Parcel L) Limited	England & Wales No. 11454877 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Sherford Plymouth Parcel M) Limited	England & Wales No. 11923138 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Sherford Plymouth Parcel S) Limited	England & Wales No. 10535353 **	Dormant	Ordinary shares	-	100.00
Amenity Property (The Hathaways Stratford) Limited	England & Wales No. 09361834 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Thomas Beddoes Court Shifnal) Limited	England & Wales No. 07639356 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Walmley Croft Sutton Coldfield) Limited	England & Wales No. 10147213 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Woodland View Coventry) Limited	England & Wales No. 07639369 **	Dormant	Ordinary shares	-	100.00

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Subsidiaries (Continued)

Amenity Property Holdings Limited	England & Wales No. 07635509 **	Dormant	Ordinary shares	-	100.00
Baker Sinclair Limited	England & Wales No. 10306297 *	Dormant	Ordinary shares	-	100.00
CE Anthony Nolan (Fairstead) Limited	England & Wales No. 06354199 *	Dormant	Ordinary shares	-	100.00
CE Bleinheim Grange Watton Limited	England & Wales No. 06067570 *	Dormant	Ordinary shares	-	100.00
CE Churchill Gardens Cambourne Limited	England & Wales No. 06453105 *	Dormant	Ordinary shares	-	100.00
CE Cobbler's Mews Romany Road Limited	England & Wales No. 06022591 *	Dormant	Ordinary shares	-	100.00
CE Lock Mill Blackburn Limited	England & Wales No. 06346923 *	Dormant	Ordinary shares	-	100.00
CE Oakfield Gardens Hyde Limited	England & Wales No. 06406964 *	Dormant	Ordinary shares	-	100.00
CE Poppy Fields (Benwick) Limited	England & Wales No. 06353915 *	Dormant	Ordinary shares	-	100.00
CE The Hawthornes Blackley Limited	England & Wales No. 06443043 *	Dormant	Ordinary shares	-	100.00
CE Willow Grange Ely Limited	England & Wales No. 06067392 *	Dormant	Ordinary shares	-	100.00
Chamonix Estates Developments Limited	England & Wales No. 10821470 *	Dormant	Ordinary shares	-	100.00
Chamonix Estates Limited	England & Wales No. 05851267 *	Property Management	Ordinary shares	-	100.00
Chamonix Holdings Limited	England & Wales No. 12500321 *	Property Management	Ordinary Shares	-	100.00
Fairfield Company Secretaries Limited	England & Wales No. 05988785 *	Property Management	Ordinary Shares	-	100.00
Ground Rent Services Limited	England & Wales No. 09804654 *	Dormant	Ordinary shares	-	100.00
Longhurst Drive Management Company Limited	England & Wales No. 11416290 *	Dormant	Ordinary shares	-	100.00
Mainstay (Secretaries) Limited	England & Wales No. 04458913 **	Dormant	Ordinary shares	-	100.00
Mainstay Facilities Management Limited	England & Wales No. 03340310 **	Property Management	Ordinary shares	-	100.00
Mainstay Group Limited	England & Wales No. 04002715 **	Property Management	Ordinary shares	-	100.00
Mainstay Payments Limited	England & Wales No. 04771082 **	Dormant	Ordinary shares	-	100.00
Mainstay Residential Limited	England & Wales No. 04052477 **	Property Management	Ordinary shares	-	100.00
Maybeck Collections Limited	England & Wales No. 04052424 **	Dormant	Ordinary shares	-	100.00
MRML Limited	England & Wales No. 03904173 **	Dormant	Ordinary shares	-	100.00
Chamonix Group Limited	England & Wales No. 05856372 *	Property Management	Ordinary shares	-	100.00
Meridian Retirement Housing Services Limited	England & Wales No. 01833177 *	Dormant	Ordinary shares	-	100.00

DRIVE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Subsidiaries (Continued)

Arcturus Corporation Limited	England & Wales No. 05503540***	Property Management	Ordinary shares	-	100.00
Arcturus Group Limited	England & Wales No. 10773717***	Dormant	Ordinary shares	-	100.00
Blenheims Estate & Asset Management (SW) Limited	England & Wales No.03837047***	Property Management	Ordinary shares	-	100.00
Blenheims Estate and Asset Management Group Limited	England & Wales No.05391407***	Dormant	Ordinary shares	-	100.00
Blenheims Estate and Asset Management Limited	England & Wales No.05398647***	Property Management	Ordinary shares	-	100.00
Blenheims Payroll Services Limited	England & Wales No.08892118***	Dormant	Ordinary shares	-	100.00
Campions Property Letting and Management Limited	England & Wales No. 05393722***	Property Management	Ordinary shares	-	100.00
Estate & Asset Management Limited	England & Wales No. 08294501***	Dormant	Ordinary shares	-	100.00
Freemont Property Managers Limited	England & Wales No. 08918100*	Property Management	Ordinary shares	-	100.00
JAL Estates Limited	England & Wales No. 04590981***	Dormant	Ordinary shares	-	100.00
TMS Director Services Limited	England & Wales No. 07329927***	Dormant	Ordinary shares	-	100.00
TMS Group Limited	England & Wales No. 05239338***	Dormant	Ordinary shares	-	100.00
TMS South Limited	England & Wales No. 08294547***	Dormant	Ordinary Shares	-	100.00
TMS South West Limited	England & Wales No. 09814083***	Dormant	Ordinary Shares	-	100.00
Torbay Management Services Limited	England & Wales No. 05230621***	Dormant	Ordinary shares	-	100.00

* The registered address is Queensway House, 11 Queensway, New Milton, Hampshire, UK, BH25 5NR.

** The registered address is Whittington Hall, Whittington Road, Worcester, Worcestershire, UK, WR5 2ZX.

*** The registered address is Pembroke House, Torquay Road, Paignton, Devon, UK, TQ3 2EZ.