

Registered number: 12155357

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## FREE FLOW BIDCO LIMITED

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### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2020



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**FREE FLOW BIDCO LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Gareth Hughes (appointed 23 March 2020) Mark Ian Hoskin (appointed 23 March 2020) James Edward Anderson (appointed 23 March 2020) Pamela Mulcahy (appointed 23 March 2020) Danielle Quicksilver (appointed 23 March 2020) Michael Stuart Watson (appointed 5 June 2020) Richard Anderson (appointed 23 March 2020, resigned 23 March 2020) Thomas Lemay Green (appointed 7 October 2019, resigned 23 March 2020) John David Harper (appointed 7 October 2019, resigned 10 March 2020) Roger Hart (appointed 14 August 2019, resigned 7 October 2019) Richard John Shearer (appointed 23 March 2020, resigned 5 June 2020) A G Secretarial Limited (appointed 14 August 2019, resigned 7 October 2019) Inhoco Formations Limited (appointed 14 August 2019, resigned 7 October 2019)
<b>Registered number</b>	12155357
<b>Registered office</b>	Embassy House 60 Church Street Birmingham B3 2DJ
<b>Independent auditors</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
<b>Bankers</b>	Lloyds Bank PLC 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	Squire Patton Boggs (UK) LLP 6 Wellington Place Leeds LS1 4AP

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**FREE FLOW BIDCO LIMITED**

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## FREE FLOW BIDCO LIMITED

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### STRATEGIC REPORT FOR THE PERIOD ENDED 31 MAY 2020

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#### Introduction

The directors, in preparing this Strategic Report, have complied with Section 414C of the Companies Act 2006.

#### Principal activity

The Company is an intermediary holding company, holding loan notes of the group. It also provided some strategic management services for the group.

#### Business review

The Company was incorporated on 14 August 2019. The directors are satisfied with the performance of Free Flow Bidco Limited for the period. The main costs relate to interest payable on group loans, as well as some cost recharges. The company acquired the share in Marston Corporate Limited on 23rd March 2020. There were also new loan notes during the year. These are management loan notes of £32m with Free Flow Topco Limited which are repayable on maturity, being exit from the group.

#### Principal risks and uncertainties

As with any business, the Company is subject to risks. The directors are of the opinion that a thorough risk management process is adopted, which involves the formal review of all the risks identified. Processes are in place to monitor and mitigate such risks.

The principal risk of the company is considered to be financial risk.

##### Liquidity risk:

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The Company maintains an accurate rolling 12 month cash flow forecast and on the basis of this, and allowing for future uncertainty, considers that it has sufficient liquidity going forward.

##### Credit Risk:

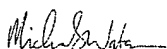
The company's principal financial assets are intercompany debtors. The group has sufficient net assets in place to meet their obligations to the Company as they fall due, the directors consider the credit risk to be low and no provision is made against the amount due.

#### Financial key performance indicators

The Company's main balances are within investments, intercompany creditors and loans. Most of the balances are managed within the group. Other risks are in line with those of the group.

This report was approved by the board on 10/3/2021

and signed on its behalf.



**Michael Stuart Watson**  
Director

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**FREE FLOW BIDCO LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 MAY 2020**

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The directors present their report and the financial statements for the period ended 31 May 2020.

**Results and dividends**

The loss for the period, after taxation, amounted to £7,473,000.

The directors do not recommend payment of a dividend.

**Directors**

The directors who served during the period and after the period end were:

Gareth Hughes (appointed 23 March 2020)  
Mark Ian Hoskin (appointed 23 March 2020)  
James Edward Anderson (appointed 23 March 2020)  
Pamela Mulcahy (appointed 23 March 2020)  
Danielle Quicksilver (appointed 23 March 2020)  
Richard Anderson (appointed 23 March 2020, resigned 23 March 2020)  
Thomas Lemay Green (appointed 7 October 2019, resigned 23 March 2020)  
John David Harper (appointed 7 October 2019, resigned 10 March 2020)  
Roger Hart (appointed 14 August 2019, resigned 7 October 2019)  
Richard John Shearer (appointed 23 March 2020, resigned 5 June 2020)  
A G Secretarial Limited (appointed 14 August 2019, resigned 7 October 2019)  
Inhoco Formations Limited (appointed 14 August 2019, resigned 7 October 2019)  
Michael Stuart Watson (appointed 5 June 2020)

**Future developments**

There are no future developments to bring to attention.

**Matters covered in the strategic report**

The Group's principal activities, risks and uncertainties and future developments are set out in the strategic report, as is the business review.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

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**FREE FLOW BIDCO LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MAY 2020**

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**Going Concern**

The directors have considered forecast financial performance, recoverability of assets and financial viability for the period extending at least 12 months from the date of approval of these financial statements, including scenario analysis and stress testing in relation to Covid-19 (for example the impact of continued social distancing measures on the Group's forecast revenues, and the impact of the UK government's lockdown roadmap set out on 22 February) and continued covenant compliance.

As a result, the directors have reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future, and have therefore adopted the going concern basis in preparing these financial statements.

The directors have considered the resources of the wider Free Flow Topco Group including confirmation of support available from them.

**Auditors**

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**Michael Stuart Watson**  
Director  
Date: 10/3/2021

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**FREE FLOW BIDCO LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 MAY 2020**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## FREE FLOW BIDCO LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREE FLOW BIDCO LIMITED

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#### Opinion

We have audited the financial statements of Free Flow Bidco Limited (the 'company') for the period ended 31 May 2020, which comprise the statement of comprehensive income, the balance sheet, 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 May 2020 and of its loss for the period 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.

#### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid 19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid 19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with a course of action associated with these particular events.

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**FREE FLOW BIDCO LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREE FLOW BIDCO LIMITED (CONTINUED)**

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**Conclusions relating to going concern**

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

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

In our evaluation of the directors' conclusions, we considered the risks associated with the Company's business model, including effects arising from Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditors' Report is not a guarantee that the Company will continue in operation.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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## FREE FLOW BIDCO LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREE FLOW BIDCO LIMITED (CONTINUED)

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#### 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 Directors' Report.

#### 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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 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.

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 Auditors' 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 Auditors' 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.

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**FREE FLOW BIDCO LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREE FLOW BIDCO LIMITED (CONTINUED)**

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*Grant Thornton UK LLP*

Gary Jones  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
Date:  
10/3/2021

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**FREE FLOW BIDCO LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MAY 2020**

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	Note	Period ended 31 May 2020 £000
Turnover		-
Expenses		(735)
Staff costs	6	(227)
Depreciation and amortisation		(488)
<b>Operating (loss)</b>	4	<u>(1,450)</u>
Finance expense		(5,423)
Hedging Instrument		(600)
<b>(Loss) before tax</b>		<u>(7,473)</u>
<b>(Loss) for the financial period</b>		<u><u>(7,473)</u></u>

There was no other comprehensive income for 2020.

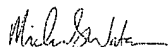
The notes on pages 12 to 25 form part of these financial statements.

**FREE FLOW BIDCO LIMITED**  
**REGISTERED NUMBER: 12155357**

**BALANCE SHEET**  
**AS AT 31 MAY 2020**

	Note	2020 £000
<b>Fixed assets</b>		
Investments	10	676,782
		<u>676,782</u>
<b>Current assets</b>		
Debtors: amounts falling due within one year	11	11,061
Cash at bank and in hand		1,439
		<u>12,500</u>
Creditors: amounts falling due within one year	12	(243,435)
<b>Net current (liabilities)/assets</b>		<u>(230,935)</u>
<b>Total assets less current liabilities</b>		<u>445,847</u>
Creditors: amounts falling due after more than one year	13	(453,320)
<b>Net liabilities</b>		<u>(7,473)</u>
<b>Capital and reserves</b>		
Profit and loss account	16	(7,473)
		<u>(7,473)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10/3/2021



**Michael Stuart Watson**  
 Director

The notes on pages 12 to 25 form part of these financial statements.

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**FREE FLOW BIDCO LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MAY 2020**

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	Called up share capital £000	Profit and loss account £000	Total equity £000
Loss for the period	-	(7,473)	(7,473)
	<hr/>	<hr/>	<hr/>
<b>At 31 May 2020</b>	<hr/> - <hr/>	<hr/> (7,473) <hr/>	<hr/> (7,473) <hr/>

The notes on pages 12 to 25 form part of these financial statements.

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## FREE FLOW BIDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2020

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#### 1. General information

Free Flow Bidco Limited ("the Company") is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

Embassy House  
60 Church Street  
Birmingham  
B3 2DJ

The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 1.

#### 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The functional currency of Free Flow Bidco Limited is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the Company operates.

##### 2.2 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 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Free Flow Topco Limited as at 31 May 2020 and these financial statements may be obtained from Embassy House, 60 Church Street, Birmingham, B3 2DJ.

The following principal accounting policies have been applied:

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**FREE FLOW BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2020**

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**2. Accounting policies (continued)**

**2.3 Exemption from preparing consolidated financial statements**

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by s400 of the Companies Act 2006 because it is a wholly owned subsidiary of Free Flow Topco Limited which prepares consolidated financial statements that are publicly available. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

**2.4 Going concern**

The directors have considered forecast financial performance, recoverability of assets and financial viability for the period extending at least 12 months from the date of approval of these financial statements, including scenario analysis and stress testing in relation to Covid-19 (for example the impact of continued social distancing measures on the Group's forecast revenues, and the impact of the UK government's lockdown roadmap set out on 22 February) and continued covenant compliance.

As a result, the directors have reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future, and have therefore adopted the going concern basis in preparing these financial statements.

The directors have considered the resources of the wider Free Flow Topco Group including confirmation of support available from them.

**2.5 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.

**2.6 Borrowing costs**

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

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**FREE FLOW BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2020**

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**2. Accounting policies (continued)**

**2.7 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.9 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.

**2.10 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.11 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.

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**FREE FLOW BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2020**

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**2. Accounting policies (continued)**

**2.12 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 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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Comprehensive Income.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

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**FREE FLOW BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2020**

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**2. Accounting policies (continued)**

**2.13 Derivative financial instruments**

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note .

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured at either amortised cost or FVTPL as appropriate.

**2.14 Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no significant estimates or judgements used in preparing these accounts.

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**FREE FLOW BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2020**

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**4. Operating (loss)**

The operating (loss) is stated after charging:

	Period ended 31 May 2020 £000
Amortisation of acquisition fees	488
	<u>488</u>

**5. Auditors' remuneration**

	Period ended 31 May 2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5
	<u>5</u>

Audit fees are borne by another group company. No other fees were paid to the auditor for non-audit services.

**6. Employees**

Staff costs, including directors' remuneration, were as follows:

	Period ended 31 May 2020 £000
Wages and salaries	227
	<u>227</u>

Salaries represents amounts recharged in the period.

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**FREE FLOW BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Directors' remuneration**

Directors' remuneration of £227k was recharged in the period by another group company.

	<b>Period ended 31 May 2020 £000</b>
Directors' emoluments	227
	<u>227</u>

The highest paid director received remuneration of £NIL.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £125,666.

The total accrued pension provision of the highest paid director at 31 May 2020 amounted to £NIL.

The amount of the accrued lump sum in respect of the highest paid director at 31 May 2020 amounted to £NIL.

**8. Interest payable and similar expenses**

		<b>Period ended 31 May 2020 £000</b>
Loan notes and bank interest payable	14	5,423
Other loan interest payable		600
		<u>6,023</u>

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**FREE FLOW BIDCO LIMITED**

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**9. Taxation**

	Period ended 31 May 2020 £000
<b>Total current tax</b>	-
<b>Deferred tax</b>	
<b>Total deferred tax</b>	-
<b>Taxation on loss on ordinary activities</b>	-

**Factors affecting tax charge for the period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 31 May 2020 £000
(Loss) on ordinary activities before tax	(7,473)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(1,420)
<b>Effects of:</b>	
Non-tax deductible amortisation of goodwill and impairment	174
Deferred tax not recognised	1,246
<b>Total tax charge for the period</b>	-

**Factors that may affect future tax charges**

In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax from 19% to 17%. From 1 April 2020, it was confirmed the corporation tax rate will remain at 19% and any deferred taxes at the balance sheet have been calculated based on this rate.

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**FREE FLOW BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Fixed asset investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
Additions	<b>676,782</b>
At 31 May 2020	<b>676,782</b>

The addition to investments relates to Marston Corporate Limited. The company acquired the shares in Marston Corporate Limited on 23 March 2020. There was also a capital contribution to Marston Corporate Limited of £411,758,000 during the year.

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**FREE FLOW BIDCO LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Fixed asset investments (continued)****Subsidiary undertakings**

Marston Corporate Limited is the only direct subsidiary undertaking of the company. All other subsidiaries are indirect subsidiary undertakings.

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Marston Corporate Limited	United Kingdom	Intermediary holding company	Ordinary	100%
Magenta Pikco Limited	United Kingdom	Intermediary holding company	Ordinary	100%
Magenta Interco Limited	United Kingdom	Intermediary holding company	Ordinary	100%
Magenta Bidco Limited	United Kingdom	Intermediary holding company	Ordinary	100%
Marston Resources Limited	United Kingdom	Enforcement services	Ordinary	100%
Rossendales Collect Limited	United Kingdom	Dormant company	Ordinary	100%
Marston Holdings Limited	United Kingdom	Enforcement services	Ordinary	100%
Collectica Limited	United Kingdom	Enforcement services	Ordinary	100%
Swift Credit Services Limited	United Kingdom	Enforcement services	Ordinary	100%
Marston Group Limited	United Kingdom	Enforcement services	Ordinary	100%
AA Hutton LLP	United Kingdom	Sheriff officers	Ordinary	100%
Scott & Co (Scotland) LLP	United Kingdom	Sheriff officers	Ordinary	100%
Moreton Smith Receivables Limited	United Kingdom	International debt collection	Ordinary	100%
Rossendales Limited	United Kingdom	Enforcement services	Ordinary	100%
Marston Legal Services Limited	United Kingdom	Enforcement services	Ordinary	100%
Marston Regulated Services Limited	United Kingdom	Regulated services	Ordinary	93%
Videalert Development Limited	United Kingdom	Traffic management and enforcement solutions	Ordinary	100%
NSL Limited	United Kingdom	Upstream transportation services	Ordinary	100%
Task Enforcement Limited	United Kingdom	Enforcement services	Ordinary	100%
Project Centre Limited	United Kingdom	Transportation consultancy	Ordinary	100%
Park Trade Europe AB	Sweden	Payment management and debt recovery	Ordinary	100%
Logic Valley Technologies Pvt Limited	India	Technology development	Ordinary	100%
Field Services Investment Limited	United Kingdom	Intermediary holding company	Ordinary	100%
Smartworks Metering Limited	United Kingdom	Smart meter installation	Ordinary	100%
Engage EV Limited	United Kingdom	Debt collection	Ordinary	100%
Future Energy Metering Limited	United Kingdom	Smart meter installation	Ordinary	100%
Gasworks UK Limited	United Kingdom	Smart meter installation	Ordinary	100%
Videalert Limited	United Kingdom	Traffic management and enforcement solutions	Ordinary	100%

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**FREE FLOW BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2020**

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**10. Fixed asset investments (continued)**

**Subsidiary undertakings (continued)**

**11. Debtors**

	2020 £000
Amounts owed by group undertakings	10,329
Other debtors	651
Prepayments and accrued income	81
	<u>11,061</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

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

	2020 £000
Trade creditors	8,780
Amounts owed to group undertakings	228,376
Accruals and deferred income	5,679
Hedging instrument	600
	<u>243,435</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

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**FREE FLOW BIDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Creditors: Amounts falling due after more than one year**

	2020 £000
Bank loans	421,320
Other loans	32,000
	<u>453,320</u>

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2020 £000
Repayable other than by instalments	453,320
	<u>453,320</u>

See note 14 for description of loans.

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**FREE FLOW BIDCO LIMITED**

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**14. Loans**

Analysis of the maturity of loans is given below:

	2020 £000
<b>Amounts falling due after more than 5 years</b>	
Bank loans	421,320
Other loans	32,000
	<hr/> 453,320
	<hr/> <hr/> 453,320

**Unitranche loan**

The loan of £420m is repayable on maturity, being 23/3/2027. Accrued interest is repayable on the same date, calculated at a rate of LIBOR +6% per annum.

**Revolving credit facility**

The loan of £19m is repayable on maturity, being 23/3/2026. Accrued interest is repayable on the same date, calculated at a rate of LIBOR +3% per annum.

**Management loan notes**

The management loan notes of £32m with Free Flow Topco Limited are repayable on maturity, being exit from the group. Accrued interest is repayable on the same date, calculated at a rate of 12% per annum compounded 6 months until redemption.

The loans have arrangement fees which are capitalised and amortised.

**15. Share capital**

	2020 £000
<b>Allotted, called up and fully paid</b>	
1 Ordinary shares share of £1.00	<hr/> -

The Company was incorporated on 14 August 2019 and on that date issued one ordinary share of £1 at par.

**16. Reserves**

**Profit and loss account**

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

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**FREE FLOW BIDCO LIMITED**

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**17. Ultimate controlling party**

Free Flow Parentco Limited is the immediate parent undertaking of Free Flow Bidco Limited.

The smallest and largest group of undertakings for which consolidated financial statements have been drawn up is that headed by Free Flow Topco Limited. Consolidated accounts are available from Embassy House, 60 Church Street, Birmingham, B3 2DJ.