

TCP Bidco (California) Limited

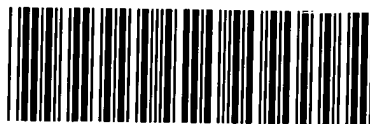
Annual Report and Financial Statements

Period Ended

31 December 2018

Company Number 10950706

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TCP Bidco (California) Limited

Company Information

Directors	M Buttler N P Jenkinson R H Simpson J Scott K Robinson S Hobman
Registered number	10950706
Registered office	Howley Park Industrial Estate Howley Park Road East Morley Leeds LS27 0BN
Independent auditor	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

TCP Bidco (California) Limited

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TCP Bidco (California) Limited

Strategic Report For the Period Ended 31 December 2018

The directors present their Strategic Report for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is that of intermediate holding company. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Business review

This is the first period of accounts of the Company since the date of its incorporation on 7 September 2017.

The Company's financial position at 31 December 2018 is shown in the attached financial statements. The Company has net liabilities of £1,651,205 and net current liabilities of £8,618,503.

During the period the Company issued loan notes totalling £12,242,000 to fund the purchase of the George Walker Transport business consisting of Walker Holdings One Limited, George Walker Transport Limited, George Walker Transport Manchester Limited and Northern Hub Limited. The total consideration was £17,823,987 with additional funding provided through the issue of share capital and intercompany payables.

The result for the year was a loss of £2,284,539 which was wholly attributable to the interest expenses arising on the loan notes.

Principal risks and uncertainties

Although uncertainty in the economy exists, especially with respect to the UK's exit from the EU, the directors believe the current proposition provides significant scope for further growth. The business is well invested and has the appropriate levels of finances available to support the growth strategy.

The key risk faced by the Company relates to potential changes in the value of its investment in its subsidiary, TCP Bidco (California) Limited. The directors of the Company monitor the financial position and performance as part of the wider group funding and risk management. Further details can be found in the financial statements of TCP Topco (California) Limited.

Key performance indicators

The Company does not use any particular key performance indicators.

This report was approved by the board on 25 June 2019 and signed on its behalf.



R. H. Simpson
Director

TCP Bidco (California) Limited

Directors' Report For the Period Ended 31 December 2018

The directors present their report and the financial statements for the sixteen months from the Company's incorporation on 7 September 2017 to 31 December 2018.

Results and dividends

The loss for the period, after taxation, amounted to £2,284,539.

The directors do not recommend payment of a dividend.

Directors

The directors who served during the period were:

J J A Hamer (appointed 7 September 2017, resigned 3 October 2017)
M Buttler (appointed 3 October 2017)
N P Jenkinson (appointed 17 October 2017)
R H Simpson (appointed 17 October 2017)
D Bywater (appointed 26 January 2018, resigned 3 June 2019)

The following directors were appointed after the period end:

J Scott (appointed 3 June 2019)
K Robinson (appointed 3 June 2019)
S Hobman (appointed 3 June 2019)

Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the strategic report as the directors consider them to be of strategic importance to the Company.

Disclosure of information to auditor

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

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

Post balance sheet events

On 1 May 2019 the Company completed the acquisition of Stockbridge Investments Limited and MTH Express Services Limited for initial consideration of £5.25m. In the year ended 31 December 2018 MTH Express Services Limited had revenues of £9m and generated a normalised EBITDA of £1.15m.

On 1 May 2019 Investec Bank plc provided new facilities of £11m. This comprises a term loan of £4m repayable over 5 years and a committed Receivables Facility of up to £7m. This facility was used to provide the consideration to acquire Stockbridge Investment Limited and repay the short-term invoice financing facility with Royal Bank of Scotland plc. In addition a one-off payment of £0.5m was made against the Total Capital Partners A loan notes with the balance of the A loan notes becoming B loan notes.

TCP Bidco (California) Limited

Directors' Report (continued) For the Period Ended 31 December 2018

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25 June 2019 and signed on its behalf.



R H Simpson
Director

TCP Bidco (California) Limited

Directors' Responsibilities Statement For the Period Ended 31 December 2018

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

TCP Bidco (California) Limited

Independent Auditor's Report to the Members of TCP Bidco (California) Limited

Opinion

We have audited the financial statements of TCP Bidco (California) Limited ("the Company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the 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 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We 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.

TCP Bidco (California) Limited

Independent Auditor's Report to the Members of TCP Bidco (California) Limited (continued)

Other information

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

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

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

TCP Bidco (California) Limited

Independent Auditor's Report to the Members of TCP Bidco (California) Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Davies (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds
United Kingdom

27 June 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

TCP Bidco (California) Limited

Statement of Comprehensive Income For the Period Ended 31 December 2018

	Note	16 months ended 31 December 2018 £
Interest payable and similar charges	6	(2,284,539)
Loss before tax		(2,284,539)
Tax on loss	7	-
Loss for the financial period		(2,284,539)

There was no other comprehensive income for the sixteen months ended 31 December 2018.

The notes on pages 11 to 18 form part of these financial statements.

TCP Bidco (California) Limited

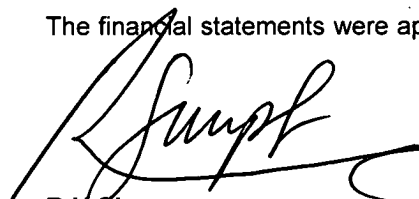
Registered number: 10950706

Statement of Financial Position As at 31 December 2018

	Note	2018 £
Fixed assets		
Investments	8	17,823,987
		<u>17,823,987</u>
Creditors: amounts falling due within one year	9	(8,552,973)
Net current liabilities		<u>(8,552,973)</u>
Creditors: amounts falling due after more than one year		(10,922,219)
Total assets less current liabilities		<u><u>(1,651,205)</u></u>
Capital and reserves		
Called up share capital	12	633,334
Profit and loss account	13	(2,284,539)
		<u><u>(1,651,205)</u></u>

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

25 June 2019,



R H Simpson
Director

The notes on pages 11 to 18 form part of these financial statements.

TCP Bidco (California) Limited

Statement of Changes in Equity For the Period Ended 31 December 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
On incorporation	-	-	-
Comprehensive income for the period			
Loss for the period	-	(2,284,539)	(2,284,539)
Total comprehensive income for the period	-	(2,284,539)	(2,284,539)
Contributions by and distributions to owners			
Shares issued during the period	633,334	-	633,334
Total transactions with owners	633,334	-	633,334
At 31 December 2018	633,334	(2,284,539)	(1,651,205)

The notes on pages 11 to 18 form part of these financial statements.

TCP Bidco (California) Limited

Notes to the Financial Statements For the Period Ended 31 December 2018

1. General information

TCP Bidco (California) Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The nature of the Company's operations and its principal activities are outlined in the Directors' Report.

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 presentation currency of these financial statements is Sterling. All amounts in these financial statements have been rounded to the nearest £1.

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).

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of TCP Topco (California) Limited as at 31 December 2018 and these financial statements may be obtained from Howley Park Road East, Howley Park Industrial Estate, Morley, Leeds, LS1 4DL.

2.3 Going concern

The Company had net liabilities of £1,651,205 and net current liabilities of £8,618,503 at 31 December 2018.

The directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to prepare the financial statements on a going concern basis. The financial statements do not contain any adjustments that may be required should the Company be unable to continue as a going concern.

TCP Bidco (California) Limited

Notes to the Financial Statements For the Period Ended 31 December 2018

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Creditors

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

2.8 Financial instruments

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

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.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

TCP Bidco (California) Limited

Notes to the Financial Statements For the Period Ended 31 December 2018

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indications of impairment in the Company's investments. Factors taken into consideration include the economic viability and expected future financial performance of the investment.

4. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements are borne by another group company and disclosed in the financial statements of the parent company, TCP Topco (California) Limited.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

6. Interest payable and similar charges

	16 months ended 31 December 2018 £
Loan note interest payable	2,284,539

TCP Bidco (California) Limited

Notes to the Financial Statements For the Period Ended 31 December 2018

7. Taxation

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 19.00%. The differences are explained below:

	16 months ended 31 December 2018 £
Loss on ordinary activities before tax	(2,284,539)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00%	(434,062)
Effects of:	
Expenses not deductible for tax purposes	273,138
Group relief surrendered	160,924
Total tax charge for the period	-

Factors that may affect future tax charges

Reductions in UK Corporation tax rate from 20% to 17% (19% effective from 1 April 2017 and 17% effective from 1 April 2020) have been substantively enacted. This will impact the Company's future tax charge accordingly.

TCP Bidco (California) Limited

Notes to the Financial Statements For the Period Ended 31 December 2018

8. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 7 September 2017	-
Additions	17,823,987
At 31 December 2018	<u>17,823,987</u>

On 17 October 2017, TCP Bidco (California) Limited acquired 100% of the share capital of George Walker Transport Manchester Limited, Walkers Holdings One Limited and Northern Hub Limited for a consideration of £17,823,987.

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Class of shares	Holding
George Walker Transport Manchester Limited	Ordinary	100%
Walkers Holdings One Limited	Ordinary	100%
Northern Hub Limited	Ordinary	100%

Indirect subsidiary undertakings

The following was an indirect subsidiary undertaking of the Company:

Name	Class of shares	Holding
George Walker Transport Limited	Ordinary	100%

The registered office of the Company's subsidiaries is Howley Park Industrial Estate, Howley Park Road East, Morley, Leeds, LS27 0BN.

TCP Bidco (California) Limited

Notes to the Financial Statements For the Period Ended 31 December 2018

9. Creditors: Amounts falling due within one year

	2018 £
Loan notes	934,470
Amounts owed to group undertakings	7,618,503
	<u>8,552,973</u>

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

10. Creditors: Amounts falling due after more than one year

	2018 £
Loan notes	10,922,219
	<u>10,922,219</u>

11. Loans

Analysis of the maturity of loans is given below:

	2018 £
Loan notes falling due within one year	934,470
Loan notes falling due 2-5 years	10,922,219
	<u>11,856,689</u>

Loan notes consist of the following:

- Fixed rate secured 'A' loan notes 2022 of £3,065,377. Interest is charged at a rate of 8% per annum. Repayments of £250,000 are made quarterly.
- Fixed rate secured 'B' loan notes 2023 of £8,791,356. Interest is charged at a rate of 12% per annum. Repayment is made in April 2023 in full, inclusive of a redemption premium of 40%.

12. Share capital

	2018 £
Allotted, called up and fully paid	
633,334 Ordinary shares of £1.00 each	<u>633,334</u>

TCP Bidco (California) Limited

Notes to the Financial Statements For the Period Ended 31 December 2018

12. Share capital (continued)

During the period, 633,334 ordinary shares were issued at par.

13. Reserves

Share capital

Share capital represents the nominal value of shares issued.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

14. Related party transactions

Total Capital Partners LLP

Total Capital Partners are a related party by virtue of their equity interest in A ordinary shares of the parent company, TCP Topco (California) Limited, through the entity Total Capital Partners Investment LP.

During the year the Company entered in to transactions in the normal course of business with Total Capital Partners as follows:

- Issue of A loan notes of principal amount £3,900,000 on 17 October 2017;
- Issue of B loan notes of principal amount £8,342,000 on 17 October 2017;
- Payment of an arrangement fee of £350,000 in respect of the issue of equity and loan notes totalling £350,000;
- Repayment of £750,000 in respect of A loan notes during the period;
- Interest expense in the period in respect of loan of £2,284,539 of which £1,585,473 was paid;
- Other expenses in the period of £50,000;
- The amounts owed in relation to A loan notes at 31 December 2018 is £3,065,377; and
- The amounts owed in relation to B loan notes at 31 December 2018 is £8,791,356.

15. Post balance sheet events

On 1 May 2019 the Company completed the acquisition of Stockbridge Investments Limited and MTH Express Services Limited for initial consideration of £5.25m. In the year ended 31 December 2018 MTH Express Services Limited had revenues of £9m and generated a normalised EBITDA of £1.15m.

On 1 May 2019 Investec Bank plc provided new facilities of £11m. This comprises a term loan of £4m repayable over 5 years and a committed Receivables Facility of up to £7m. This facility was used to provide the consideration to acquire Stockbridge Investment Limited and repay the short-term invoice financing facility with Royal Bank of Scotland plc. In addition a one-off payment of £0.5m was made against the Total Capital Partners A loan notes with the balance of the A loan notes becoming B loan notes.

TCP Bidco (California) Limited

Notes to the Financial Statements For the Period Ended 31 December 2018

16. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking, and parent undertaking of the smallest and largest group for which consolidated accounts are prepared, is TCP Topco (California) Limited, a company incorporated in England and Wales. TCP Topco (California) Limited's registered office is Howley Park Industrial Estate, Howley Park Road East, Morley, Leeds, LS27 0BN. Consolidated accounts of TCP Topco (California) Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is considered to be Total Capital Partners California Investment LP by virtue of a collective majority shareholding in TCP Topco (California) Limited.