

Registered number: 11239628

CE FINCO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2018



CE FINCO LIMITED

COMPANY INFORMATION

Directors

R Dowson
D Ely (appointed 27 June 2019)

Registered number

11239628

Registered office

100 Victoria Street
Westminster
London
SW1E 5JL

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
The Colmore Building
20 Colmore Circus
West Midlands
B4 6AT

CE FINCO LIMITED

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CE FINCO LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the period ended 31 December 2018.

Principal activity

The company's principal activity during the period was that of an intermediate holding company and holder of debt finance for the group.

Incorporation

The company was incorporated on 7 March 2018.

Results and dividends

The loss for the period, after taxation, amounted to £2,952,316.

There were no dividends paid during the period.

Directors

The directors who served during the period were:

M Sargeant (appointed 7 March 2018, resigned 26 March 2018)
C Neale (appointed 7 March 2018, resigned 26 March 2018)
M Harris (appointed 26 March 2018, resigned 27 June 2019)
R Dowson (appointed 26 March 2018)

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

CE FINCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Future developments

The company acts as an intermediate holding company and the directors do not expect this to change for the foreseeable future.

Financial risk management

The company is financed through fixed rate loan notes and is not exposed to movements in interest rates.

Disclosure of information to auditor

The directors confirm that:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post balance sheet events

On 29 March 2019 £4.5m of loan notes, together with £0.5m of interest of accrued were repaid using funds drawn down in another group company.

Auditor

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

Small companies note

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

This report was approved by the board on 9 AUGUST 2019 and signed on its behalf.



R Dowson
Director

Independent auditor's report to the members of CE Finco Limited

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of CE Finco Limited (the 'company') for the period ended 31 December 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements 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 the company's 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 as applied to listed entities, 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.

Overview of our audit approach



Grant Thornton

- Overall materiality: £256,000, which represents 1.205% of the company's net assets;
- No key audit matters were identified to be communicated in our report; and
- We performed full-scope audit procedures on the financial statements of the company.

Independent auditor's report to the members of CE Finco Limited (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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) that we identified. These matters included those that 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 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.

We have determined that there are no key audit matters to be communicated in our report.

Our application of materiality

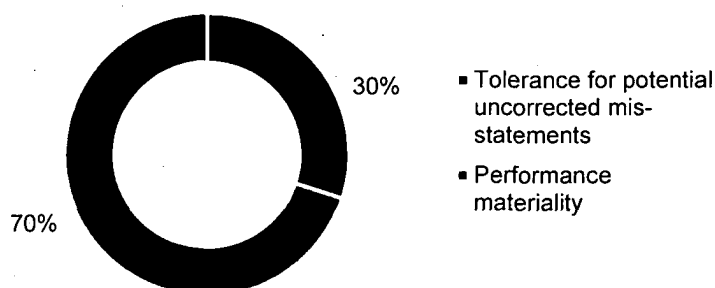
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be £256,000, which is 1.205% of the company's net assets. This benchmark is considered the most appropriate because of the nature of the Company, whose principal activity is that of an investment holding company and does not trade.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 70% of financial statement materiality.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality



We determined the threshold at which we will communicate misstatements to the audit committee to be £12,800. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the company's business, its environment and risk profile. We performed a full-scope audit of the financial statements of the company, which included an evaluation of the company's internal controls environment including its IT systems and controls.

Independent auditor's report to the members of CE Finco Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the members of CE Finco Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

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



David Munton BSc (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 9 August 2019

CE FINCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Note	2018 £
Other external charges		(5,800)
Operating loss		(5,800)
Interest payable and expenses	6	(2,946,516)
Loss before tax		(2,952,316)
Loss for the financial period		(2,952,316)
Total comprehensive expense for the period		(2,952,316)

There were no other items of comprehensive income for 2018.

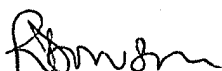
The notes on pages 10 to 17 form part of these financial statements.

CE FINCO LIMITED
REGISTERED NUMBER: 11239628

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £
Fixed assets		
Investments	8	24,195,269
Current assets		
Debtors: amounts falling due within one year	9	37,820,353
Current liabilities		
Creditors: amounts falling due within one year	10	(8,042,876)
Net current assets		<u>29,777,477</u>
Total assets less current liabilities		<u>53,972,746</u>
Creditors: amounts falling due after more than one year		(32,729,793)
Net assets		<u><u>21,242,953</u></u>
Capital and reserves		
Called up share capital	12	241,953
Share premium account	13	23,953,316
Profit and loss account	13	(2,952,316)
		<u><u>21,242,953</u></u>

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



9 August 2019

R Dowson
Director

The notes on pages 10 to 17 form part of these financial statements.

CE FINCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
Comprehensive expense for the period				
Loss for the period	-	-	(2,952,316)	(2,952,316)
Total comprehensive expense for the period	-	-	(2,952,316)	(2,952,316)
Contributions by and distributions to owners				
Shares issued during the period	241,953	23,953,316	-	24,195,269
Total transactions with owners	241,953	23,953,316	-	24,195,269
At 31 December 2018	241,953	23,953,316	(2,952,316)	21,242,953

The notes on pages 10 to 17 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

1. General information

CE Finco Limited is a limited liability company. It is incorporated in the United Kingdom and its registered address is 100 Victoria Street, London, SW1E 5JL.

The principal activity of the company is as an intermediate holding company and provider of debt finance.

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 company has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019. The company has considered all improvements and clarifications made as part of its decision to early adopt the amendments to FRS 102 and has not identified any implications to these financial statements.

The following principal accounting policies have been applied:

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 11.41(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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CE Topco Limited as at 31 December 2018 and these financial statements may be obtained from 100 Victoria Street, London, England, SW1E 5JL.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have received assurances that the group will continue to provide financial support to the company for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.5 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.

2.6 Borrowing costs

Borrowing costs relating to loan notes are capitalised in the statement of financial position in the period in which they are incurred and amortised over the period of the loan through the statement of comprehensive income. This is materially in line with the fair value of accounting of the loan notes.

All other borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.8 Debtors

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

2.9 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.

Non basic financial instruments including loan notes are initially recognised at fair value on the date the loan note is entered into. Changes in the fair value of loan notes are recognised in the statement of comprehensive income as finance costs or finance income as appropriate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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

Preparation of the financial statements requires management to make significant judgements and estimates.

Significant management estimates

Intercompany loans (note 9)

The directors make an assessment over the recoverability of amounts owed by group undertakings based on their knowledge of those entities and make provision for any amount considered unrecoverable.

Significant management judgements

Loan notes (note 11)

The holders of the loan notes are subject to an Investor agreement which includes terms that result in greater than 50% of the loan note holders being able to 'drag' the remaining loan notes holders to sell their loan notes in an arm's length transaction to an identified purchaser. As a result the loan notes would not meet the definition of a basic financial instrument under FRS 102 Section 11 'Basic financial instruments', paragraph 11.9. The loan notes are therefore classified as non-basic under FRS 102 and as a result should be held at fair value through the statement of comprehensive income. The directors have considered the fair value of the loan notes and consider the fair value of the loan notes to not be materially different to the amortised cost, and therefore the instruments are considered to be held at fair value in the financial statements.

4. Auditor's remuneration

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements

2018
£

6,000

5. Employees

The company has no employees other than the directors, who did not receive any remuneration from this company in the period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

6. Interest payable and similar expenses

	2018 £
Movement in fair value of loan notes	2,350,154
Interest payable on intercompany loans	551,133
Amortisation of debt arrangement fees	45,229
	<u>2,946,516</u>

The movement in fair value of loan notes equates to the interest payable to loan note holders in the period.

7. Taxation

Factors affecting tax charge for the period

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

	2018 £
Loss on ordinary activities before tax	(2,952,316)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(560,940)
Effects of:	
Group relief	560,940
Total tax charge for the period	<u>-</u>

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

8. Fixed asset investments

	Investments in subsidiary companies £
Cost	
Additions	24,195,269
At 31 December 2018	<u>24,195,269</u>
Net book value	
At 31 December 2018	<u>24,195,269</u>

As part of the acquisition of Capital Economics Research Limited and its subsidiaries, the company acquired the entire share capital of CE Cleanco Limited on 26 March 2018 for consideration entirely in shares (note 12) which in turn is an intermediate holding company in the new structure.

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
CE Cleanco Limited		Ordinary	100 %	Intermediate holding company

Indirect Subsidiary undertakings

The following were subsidiary undertakings of CE Cleanco Limited:

Name	Country of incorporation	Class of shares	Holding	Principal activity
CE Bidco Limited		Ordinary	100 %	Intermediate holding company
Capital Economics Research Limited		Ordinary	100 %	Economics consultants
Capital Economics Limited		Ordinary	100 %	Economics consultants
Capital Economics (USA) Inc		Ordinary	100 %	Economics consultants
Capital Economics (N.A.) Limited		Ordinary	100 %	Economics consultants
Capital Economics (Asia) Pte. Ltd		Ordinary	100 %	Economics consultants
Capital Economics (Australia) Pty. Ltd		Ordinary	100 %	Economics consultants
Capital Economics (HK) Limited		Ordinary	100 %	Economics consultants

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

8. Fixed asset investments (continued)

Name	Registered office
CE Cleanco Limited	100 Victoria Street, London, SW1E 5JL
CE Bidco Limited	100 Victoria Street, London, SW1E 5JL
Capital Economics Research Limited	100 Victoria Street, London, SW1E 5JL
Capital Economics Limited	100 Victoria Street, London, SW1E 5JL
Capital Economics (USA) Inc	1209 Orange Street, Wilmington, New Castle, Delaware 19801
Capital Economics (N.A.) Limited	100 Victoria Street, London, SW1E 5JL
Capital Economics (Asia) Pte. Ltd	1 Marina Boulevard, #28-00, Singapore
Capital Economics (Australia) Pty. Ltd	58 Gipps Street, Collingwood, Vic 3086. Austral
Capital Economics (HK) Limited	19th Floor, Edinburgh Tower, The Landmark, 1, Queen's Road, Central, Hong Kong

The aggregate of the share capital and reserves as at 31 December 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £000	Profit/(loss) £000
CE Cleanco Limited	24,134	(62)
CE Bidco Limited	20,537	(3,658)
Capital Economics Research Limited	16,887	(1,148)
Capital Economics Limited	6,697	1,924
Capital Economics (USA) Inc	(4,036)	(371)
Capital Economics (N.A.) Limited	12,552	5,509
Capital Economics (Asia) Pte. Ltd	1,882	318
Capital Economics (Australia) Pty. Ltd	(1,611)	(96)
Capital Economics (HK) Limited	13	49

9. Debtors

	2018 £
Amounts owed by group undertakings	37,820,353

Amounts owed by group undertakings are unsecured, repayable on demand and no interest is charged on these amounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

10. Creditors: Amounts falling due within one year

	2018 £
Amounts owed to group undertakings	8,038,376
Accruals and deferred income	4,500
	<u>8,042,876</u>

Amounts owed to group undertakings are unsecured, repayable on demand and no interest is charged on these amounts.

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

	2018 £
Loan notes	<u>32,729,793</u>

On 26 March 2018, loan notes were issued totalling £30,635,936. The loan notes attract a coupon rate of 10% and are redeemable at the earlier of 25 March 2028 or the sale or listing of the group. Interest is payable annually and the company has elected to defer and compound the payment up to the redemption date. At 31 December 2018, £2,350,154 of accrued interest was included within the fair value of the loan notes.

Debt costs of £301,526 were capitalised on issue of the loan notes and £45,229 has been released to the statement of comprehensive income during the period. The carrying value of the loan notes at the period end was net of debt issue costs of £256,297.

Loan notes totalling £30,635,936 were listed on The International Stock Exchange on 12 September 2018. The loan notes are unsecured.

The loan notes are considered to be a non-basic instrument. The market rate of interest to be charged on the loan notes is not considered to be materially different to 10% and the fair value is considered to be in line with the value above, calculated using the amortised cost method.

All loan notes and accrued interest above are due in more than five years from 31 December 2018.

12. Share capital

	2018 £
Allotted, called up and fully paid	
24,195,270 Ordinary shares of £0.01 each	<u>241,953</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

12. Share capital (continued)

On incorporation, 2 ordinary shares of £0.01 each were issued at par.

On 26 March 2018, 24,195,268 ordinary shares of £0.01 were issued at a premium of £0.99 per share.

13. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period profits and losses.

14. Related party transactions

As the company is a wholly owned subsidiary with the group headed by CE Topco Limited, the company has taken exemptions available in FRS 102 and therefore not disclosed transactions or balances with wholly owned entities which form part of the group.

Key management personnel held £6,128,881 loan notes as at 31 December 2018. Accrued interest on the loan notes as at 31 December 2018 was £470,161.

15. Post balance sheet events

On 29 March 2019 £4.5m of loan notes, together with £0.5m of interest of accrued were repaid using funds drawn down in another group company.

16. Controlling party

The ultimate parent company is CE Topco Limited, a company incorporated in the United Kingdom. CE Topco Limited heads the largest and smallest group into which the results of this company are consolidated. Copies of CE Topco Limited accounts can be obtained from the company's secretary.

CE Topco Limited does not have a single ultimate controlling party by virtue that no single shareholder holds more than 50% of the voting rights.