

Registration number: 11011183

**LUIGI MIDCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

## **LUIGI MIDCO LIMITED**

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## **LUIGI MIDCO LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	D Gaynor
	M P Delany
	M A Brayford
	S P Evans
<b>Registered office</b>	C1 Endeavour Place Coxbridge Business Park Farnham GU10 5EH
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## **LUIGI MIDCO LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019**

The directors present their report and the financial statements for the year ended 30 June 2019.

#### **Directors of the company**

The directors who held office during the year were as follows:

D Gaynor

M P Delany

M A Brayford

S P Evans

#### **Principal activity**

The principal activity of the company is that of a holding company.

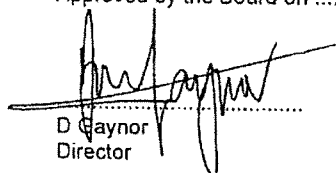
#### **Disclosure of information to the auditors**

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on ..... and signed on its behalf by:



D Gaynor  
Director

## **LUIGI MIDCO LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors acknowledge their responsibilities for preparing the Annual 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 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; 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.

## **LUIGI MIDCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUIGI MIDCO LIMITED**

#### **Opinion**

We have audited the financial statements of Luigi Midco Limited (the 'company') for the year ended 30 June 2019, which comprise the Profit and Loss Account, 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 FRS 102 Section 1A '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 30 June 2019 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.

#### **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.

#### **Opinion on other matter 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 Directors' Report for the financial year 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.

## LUIGI MIDCO LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUIGI MIDCO LIMITED

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

In the light of our 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.

We have nothing to report in respect of the following matters where 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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.

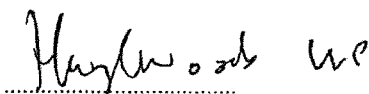
#### Auditor's responsibilities for the audit of the financial statements

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 on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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



James Morter (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

Date: 25 October 2019

**LUIGI MIDCO LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2019**

	Year ended 30 June 2019 £	12 October 2017 to 30 June 2018 £
Turnover	-	-
Administrative expenses	<u>(22,000)</u>	<u>(27,709)</u>
Operating loss	(22,000)	(27,709)
Interest payable and similar charges	<u>(3,619,603)</u>	<u>(2,214,052)</u>
Loss before tax	<u>(3,641,603)</u>	<u>(2,241,761)</u>
Loss for the financial year	<u><u>(3,641,603)</u></u>	<u><u>(2,241,761)</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

The notes on pages 9 to 14 form an integral part of these financial statements.



**LUIGI MIDCO LIMITED**

**(REGISTRATION NUMBER: 11011183)  
BALANCE SHEET AS AT 30 JUNE 2019**

	Note	30 June 2019 £	30 June 2018 £
<b>Fixed assets</b>			
Investments	5	704,416	704,416
<b>Current assets</b>			
Debtors	6	<u>32,058,426</u>	<u>32,080,427</u>
Total assets less current liabilities		<u>32,762,842</u>	<u>32,784,843</u>
 Creditors: Amounts falling due after more than one year	7	<u>37,941,791</u>	<u>34,322,189</u>
<b>Capital and reserves</b>			
Called up share capital	9	7,044	7,044
Share premium reserve		697,371	697,371
Profit and loss account		<u>(5,883,364)</u>	<u>(2,241,761)</u>
Total equity		<u>(5,178,949)</u>	<u>(1,537,346)</u>
Total capital, reserves and long term liabilities		<u>32,762,842</u>	<u>32,784,843</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on ..... and signed on its behalf by:

  
M P Delany  
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

**LUIGI MIDCO LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 12 October 2017	-	-	-	-
Loss for the year	-	-	(2,241,761)	(2,241,761)
New share capital subscribed	7,044	697,371	-	704,415
At 30 June 2018	<u>7,044</u>	<u>697,371</u>	<u>(2,241,761)</u>	<u>(1,537,346)</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 July 2018	7,044	697,371	(2,241,761)	(1,537,346)
Loss for the year	-	-	(3,641,603)	(3,641,603)
At 30 June 2019	<u>7,044</u>	<u>697,371</u>	<u>(5,883,364)</u>	<u>(5,178,949)</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

## **LUIGI MIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

C1 Endeavour Place  
Coxbridge Business Park  
Farnham  
GU10 5EH

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Summary of disclosure exemptions**

The company has not presented a cashflow on the grounds that it is consolidated as part of a group and the parent entity presents a consolidated cashflow.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of Luigi Topco Limited.

The financial statements of Luigi Topco Limited may be obtained from Companies House.

##### **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 company therefore continues to adopt the going concern basis in preparing its financial statements.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying 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.

##### **Judgements**

No significant judgements have been made by management in preparing these financial statements.

## LUIGI MIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### ***Key sources of estimation uncertainty***

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

#### **Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

#### **Financial instruments**

##### ***Classification***

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### ***Impairment***

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### **Non-financial assets:**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

##### **Financial assets:**

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

## LUIGI MIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **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 Staff numbers**

The company has no employees other than the directors in the year.

#### **4 Auditors' remuneration**

Audit fees are borne by Go Karting for Fun Limited, a fellow subsidiary of Luigi Topco Limited, and are not recharged. The group audit fee is £25,500 (2018 - £25,000).

#### **5 Investments**

##### **Subsidiaries**

£

##### **Cost and carrying amount**

At 1 July 2018 and 30 June 2019

704,416

## LUIGI MIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	
		2019	2018
Subsidiary undertakings			
Luigi Debtco Limited	Ordinary	100%	100%
Luigi Bidco Limited	Ordinary	100%	100%
Teamsport Holdings Limited	Ordinary	100%	100%
Teamsport Investments Limited	Ordinary	100%	100%
Teamsport Racing Limited	Ordinary	100%	100%
Go Karting For Fun Limited	Ordinary	100%	100%
Go Karting For Fun (Crawley) Limited	Ordinary	100%	100%
Linfix Limited	Ordinary	100%	100%
Teamsport Indoor Karting (London) Limited	Ordinary	100%	100%
Teamsport Indoor Karting (Brighton) Limited	Ordinary	100%	100%
SK Racing Limited	Ordinary	100%	0%

The above companies are all incorporated in England and Wales with the exception of SK Racing Limited, which is incorporated in Scotland.

The principal activity of Luigi Debtco Limited is intermediate holding company.

The principal activity of Luigi Bidco Limited is intermediate holding company.

The principal activity of Teamsport Holdings Limited is intermediate holding company.

The principal activity of Teamsport Investments Limited is intermediate holding company.

The principal activity of Teamsport Racing Limited is dormant.

The principal activity of Go Karting For Fun Limited is running indoor go-karting circuits and support and management services.

The principal activity of Go Karting For Fun (Crawley) Limited is running an indoor go-karting circuit.

The principal activity of Linfix Limited is running an indoor go-karting circuit.

The principal activity of Teamsport Indoor Karting (London) Limited is running an indoor go-karting circuit.

The principal activity of Teamsport Indoor Karting (Brighton) Limited is running an indoor go-karting circuit.

The principal activity of SK Racing Limited is Dormant

**LUIGI MIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**6 Debtors**

	30 June 2019	30 June 2018
	£	£
Amounts owed by related parties	32,058,426	32,075,477
Prepayments	-	4,950
	<u>32,058,426</u>	<u>32,080,427</u>

**7 Creditors**

**Creditors: amounts falling due after more than one year**

	Note	2019	2018
		£	£
<b>Due after one year</b>			
Loans and borrowings	8	<u>37,941,791</u>	<u>34,322,189</u>

**8 Loans and borrowings**

	2019	2018
	£	£
<b>Non-current loans and borrowings</b>		
Other borrowings	<u>37,941,791</u>	<u>34,322,189</u>

**Other borrowings**

Shareholder loan notes is denominated in GB£ with a nominal interest rate of 10%, and the final instalment is due on 30 September 2028. The carrying amount at year end is £ 38,180,804 (2018 - £34,589,928).

Associated debt costs of £239,013 (2018 - £267,739) are included in the liability above and are being released over the term of the loan against the liability

**9 Share capital**

**Allotted, called up and fully paid shares**

	30 June 2019		30 June 2018	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>704,415</u>	<u>7,044.15</u>	<u>704,415</u>	<u>7,044.15</u>

**10 Contingent liabilities**

The company is party to a cross guarantee arrangement with other group companies totalling £19,014,841 (2018 - £15,450,412).

**LUIGI MIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**11 Parent and ultimate parent undertaking**

The company's immediate and ultimate parent is Luigi Topco Limited, incorporated in England and Wales.