

**BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE  
HOLDCO2 LIMITED)**

**REGISTRATION NUMBER: 11755817**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 8 JANUARY 2019 TO 31 DECEMBER 2019**

**BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

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**GENERAL INFORMATION**

<b>DIRECTORS</b>	M A Fernandes (appointed 8 January 2019) J K Harraway (appointed 8 January 2019)
<b>REGISTERED NUMBER</b>	11755817
<b>REGISTERED OFFICE</b>	10 Fenchurch Avenue London EC4R OHH United Kingdom
<b>INDEPENDENT AUDITOR</b>	KPMG LLP 15 Canada Square London E14 5GL United Kingdom
<b>LEGAL ADVISOR</b>	CLIFFORD CHANCE 10 Upper Bank Street London E14 5JJ United Kingdom
<b>ADMINISTRATOR</b>	SANNE GROUP (UK) LIMITED 21 Palmer Street London SW1H 0AD United Kingdom

# **BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

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# **BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

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## **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

The Directors present their report and financial statements of Bowmore UK 2 Limited (formerly known as Bowmore Holdco2 Limited) (the "Company") for the period from 8 January 2019 to 31 December 2019 (the "period").

### **Directors**

The Directors who served during the period ended 31 December 2019 and as at the date of approving this report are:

M A Fernandes (appointed on 8 January 2019)

J K Harraway (appointed on 8 January 2019)

### **Dividends**

No dividends were paid during the period. The Directors do not recommend the payment of a final dividend.

### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. In support of this expectation, the Directors are unaware of any significant factors likely to affect the Company in the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

With the recent market developments caused by COVID-19, the Directors have assessed the impact on the Company and have concluded that the going concern basis is still appropriate. The assessment was conducted with reference to the level of working capital, current trading, contractual commitments to make further investments to underlying portfolio companies and any commitments undrawn from investors.

The Directors also reviewed the portfolio company's ability to continue as a going concern, taking into consideration the impact of COVID-19 on current trading, operational resilience, and the financial position of each company.

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

### **Qualifying third party indemnities**

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were accordingly in force during the course of the financial period ended 31 December 2019 for the benefit of the then Directors and, at the date of this report, remain in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, power or office.

### **Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements**

The Directors are responsible for preparing the Strategic Report and 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 period. Under that law, they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard in the UK and Republic of Ireland ("FRS 102").

# **BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

## **DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019**

### **Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements (continued)**

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 judgments and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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. This enables them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps, as are reasonably open to them, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### **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 each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each Director has taken all the steps that he ought to have 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**

#### **Covid-19**

The Company has investments in equity and Loan Notes issued by a wholly-owned subsidiary, Bowmore UK 3 Limited, a holding company with an underlying investment of 50% in SSE Telecommunications Limited (collectively "SSET"), a joint venture with SSE plc, a UK listed utility. SSET is one of the UK's leading telecoms connectivity providers. SSET is experiencing impacts on its Revenues, Liquidity, Working arrangements of Employees and its Supply Chain. The Management of SSET has triggered contingency plans to maintain the operation of the existing infrastructure that provides services to its customers.

The Directors are in regular contact with SSET's management, providing support and guidance. The unprecedented lock-down measures taken by the UK and devolved Governments have been in place for a number of months and steps are now being taken to reopen parts of the economy. The long term impact on SSET will depend on the timescales of the steps being taken to normalise people movement and economic activity.

**BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

**Post balance sheet events (continued)**

**Covid-19 (continued)**

The Directors will continue to assess the impact of these measures on the current fair value of its investments in SSET. In the short term, the valuation will fall. Any recovery in the fair value and its timing will depend on the final scale of the impact on SSET's business and the measures taken by management to bring activities back to normal post lock-down.

There have been no other significant events affecting the Company since the period end which requires adjustment for or disclosure in the financial statements.

**Auditor**

KPMG LLP has been appointed as the auditor during the period.

This report was approved by the board on 21 July 2020 and signed on its behalf.



M A Fernandes  
Director

21 July 2020

# **BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

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## **STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

### **Principal activity**

The principal activity of the Company is to act as an investment company.

The Company was incorporated on 8 January 2019 and has an investment in 100% of the equity of Bowmore UK 3 Limited.

On 15 January 2019, the Company changed its name to Bowmore UK 2 Limited (formerly known as Bowmore Holdco2 Limited).

### **Business review and results**

The total comprehensive loss for the period was £24,000 and the net assets as at 31 December 2019 were £46,077,000. Details of the results for the period are set out in the Statement of Comprehensive Income on page 9.

The Company has loan notes in issue, which are listed on The International Stock Exchange. The holders of these loan notes are detailed in note 18.

### **Risks and uncertainties**

The risks and uncertainties faced by the Company are those inherent within the financial services industry, but are primarily:

- Liquidity risk – the Company’s portfolio contains investments that are illiquid and long-term. Such investments may be illiquid because, among other reasons, there is no established market for the particular type of asset, there is a scarcity of disposal options and/or potential acquirers, or there are legal, tax, regulatory or contractual restrictions associated with the disposal of the investment;
- Operational risk – losses could result from inadequate or failed internal and external processes, systems and human error or from external events over which the management has no control;
- Market risk – exposure to fluctuations in revenue resulting from the impact of volatile equity, bond, property prices and investment performance;
- Credit risk – investments are reliant on counterparties fulfilling their obligations; and
- Regulatory risk – subject to the effects of changes in law, regulation, policy and interpretation and any accounting standards in the markets in which it operates.

# **BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWMORE UK 2 LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2019**

### **Opinion**

We have audited the financial statements of Bowmore UK 2 Limited (formerly known as Bowmore Holdco2 Limited) (the "Company") for the period ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its losses for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 'Reduced Disclosure Framework', 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. 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 judgments that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

### **Strategic report and Directors' report**

The Directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

## **BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWMORE UK 2 LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)**

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on pages 3 and 4, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's Member, 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 Member 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 Member, as a body, for our audit work, for this report, or for the opinions we have formed.



**Fang Fang Zhou (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

United Kingdom

21 July 2020

**BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED DECEMBER 2019**

	<b>Note</b>	<b>8 Jan 2019 to 31 Dec 2019 £ 000</b>
Investment income	3	8,771
Administrative expenses	4	(24)
<b>Operating profit</b>		<b>8,747</b>
Interest expense	5	(8,771)
<b>Loss on ordinary activities before tax</b>		<b>(24)</b>
Tax on loss on ordinary activities	6	-
<b>Loss for the period after tax</b>		<b>(24)</b>
<b>Total comprehensive loss for the period</b>		<b>(24)</b>

There was no other comprehensive income for the period ended 31 December 2019 in addition to that included in the Statement of Comprehensive Income. All results shown in the Statement of Comprehensive Income are from continuing operations.

**BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

**BALANCE SHEET**

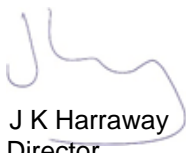
**AS AT 31 DECEMBER 2019**

	Note	2019 £ 000
<b>Non-current assets</b>		
Investments in subsidiary	8	46,081
Other investments	9	189,000
		<u>235,081</u>
<b>Current assets</b>		
Debtors: amounts falling due within one year	10	8,771
Cash at bank		6
		<u>8,777</u>
<b>Current liabilities</b>		
Creditors: amounts falling due within one year	11	(10)
<b>Net current assets</b>		
		<u>8,767</u>
<b>Non-current liabilities</b>		
Creditors: amounts falling due after more than one year	12	(197,771)
<b>Net assets</b>		
		<u><u>46,077</u></u>
<b>Capital and reserves</b>		
Called up share capital	13	46,101
Retained earnings		(24)
<b>Shareholders' funds</b>		
		<u><u>46,077</u></u>

The financial statements on page 9 to 18 have been approved by the Board of Directors and signed on its behalf by:



M A Fernandes  
Director



J K Harraway  
Director

21 July 2020

The notes on pages 12 to 18 form part of these financial statements

**BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Share Capital £ 000	Retained earnings £ 000	Total £ 000
Balance as at 8 January 2019	-	-	-
Issue of shares	46,101	-	46,101
Total comprehensive loss for the period	-	(24)	(24)
<b>Balance as at 31 December 2019</b>	<b>46,101</b>	<b>(24)</b>	<b>46,077</b>

The notes on pages 12 to 18 form part of these financial statements

# **BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019**

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### **1. Accounting policies**

Bowmore UK 2 Limited (formerly known as Bowmore Holdco2 Limited) (the “Company”) was incorporated and domiciled in England. These financial statements are prepared for the period from 8 January 2019 to 31 December 2019 (the “period”). On 15 January 2019, the Company changed its name to Bowmore UK 2 Limited.

#### **Basis of preparation of financial statements**

The Company’s financial statements have been prepared in accordance with UK Generally Accepted Accounting Principles including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) and the Companies Act 2006.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements.

These financial statements present information about the Company as an individual undertaking and not about its group. The Company may adopt FRS 102 and take advantage of reduced disclosure exemptions.

The Company has taken advantage of the exemptions under FRS 102 section 7 Statement of Cash Flows paragraphs 1.8 to 1.12, not to prepare a cash flow statement for the period ended 31 December 2019.

The principal accounting policies adopted have been set out below:

#### **a) Investment income**

Investment income is earned on debt securities held. Interest income from debt securities is accounted for on an accruals basis.

#### **b) Investments in subsidiary**

The Company’s investment in its subsidiary is held at cost less impairment losses. At the end of each reporting period, the Directors review the carrying amounts of fixed asset investments to determine whether there is any indication that the asset has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised immediately in the Statement of Comprehensive Income

In assessing recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

#### **c) Tax**

Tax is recognised in the Statement of Comprehensive Income, except to the extent that it is attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, in which case it is 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

# **BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019**

### **1. Accounting policies (continued)**

#### **d) Basic financial instruments**

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### **e) Functional and presentational currency**

The Company's functional and presentational currency is Pound Sterling (£). The Directors have chosen the Pound Sterling as the Company's presentational currency. The Pound Sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions that affect the Company. All amounts within these financial statements are rounded to the nearest thousand.

#### **f) Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. In support of this expectation, the Directors are unaware of any significant factors likely to affect the Company in the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

With the recent market developments caused by COVID-19, the Directors have assessed the impact on the Company and have concluded that the going concern basis is still appropriate. The assessment was conducted with reference to the level of working capital, current trading, contractual commitments to make further investments to underlying portfolio companies and any commitments undrawn from investors.

The Directors also reviewed the portfolio company's ability to continue as a going concern, taking into consideration the impact of COVID-19 on current trading, operational resilience, and the financial position of each company.

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

### **2. Use of judgments and estimates**

In preparing these financial statements, the Directors have made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The judgment the Directors apply is whether there should be any impairment booked as part of their review.

**BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2019**

**2. Use of judgments and estimates (continued)**

*Impairment*

At the end of the reporting period the Directors have compared the carrying value of the investments in subsidiary, other investments and accrued investment income to their recoverable amounts to determine if any impairment is required. In assessing the recoverable amount estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

**3. Investment income**

	8 Jan 2019 to 31 Dec 2019 £ 000
Interest received on loan notes	8,771

**4. Administrative expenses**

	8 Jan 2019 to 31 Dec 2019 £ 000
Professional fees	14
Auditor's remuneration	10
	<u>24</u>

**5. Interest expenses**

	8 Jan 2019 to 31 Dec 2019 £ 000
Interest payable on loan notes	8,771

**BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

**6. Taxation**

a) **Analysis of tax charge in the period**

	8 Jan 2019 to 31 Dec 2019 £ 000
<b>Current tax:</b>	
Current tax charge for the period	-
<b>Total current tax charge</b>	<u>-</u>

b) **Factors affecting tax charge for the period**

There were no factors that affected the tax charge for the year/period which has been calculated on the result on ordinary activities before tax at the standard rate of corporation tax in the UK of 19%.

	8 Jan 2019 to 31 Dec 2019 £ 000
Loss on ordinary activities before tax	<u>(24)</u>
Tax on loss at standard UK tax rate of 19%	(5)
Effects of:	
Unprovided deferred tax movement	<u>5</u>
<b>Total tax charge for the period</b>	<u>-</u>

c) **Factors that may affect future tax charges**

The standard rate of corporation tax in the UK was due to change from 19% to 17% with effect from 1 April 2020. Following the budget announcement on the 11th March 2020 this rate reduction was cancelled and the legislation reducing the rate has been repealed. Accordingly, the Company's profits for this, and future, accounting periods will be taxed at an effective tax rate of 19%.

**7. Employees**

The Company has no employees other than Directors, who did not receive any remuneration in respect of their services to the Company during the period ended 31 December 2019.

**8. Investments in subsidiary**

	2019 £ 000
<b>Cost</b>	
As at 8 January 2019	-
Additions	<u>46,081</u>
<b>As at 31 December 2019</b>	<u>46,081</u>

The Company holds 100% of the entire issued ordinary share capital of Bowmore UK 3 Limited. Bowmore UK 3 Limited's principal activity is an investment entity, which invests in SSE Telecommunications Limited. Based on the review of the performance of the underlying investments, the Directors do not consider an impairment needs to be recognised this period.

**BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

**9. Other investments**

	<b>2019 £ 000</b>
Loan notes	<u><u>189,000</u></u>

Bowmore UK 2 Limited advanced a loan of £189,000,000 to Bowmore UK 3 Limited on 29 March 2019. Interest is payable on the amount of the loan at 6% per annum.

**10. Debtors: amounts falling due within one year**

	<b>2019 £ 000</b>
Accrued interest receivable	<u>8,771</u>

**11. Creditors: amounts falling due within one year**

	<b>2019 £ 000</b>
Accrued expenses	<u>10</u>
	<u><u>10</u></u>

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

	<b>2019 £ 000</b>
Amounts owed to group undertakings	<u>197,771</u>
	<u><u>197,771</u></u>

Amounts owed to group undertakings relate to loans payable of £152,466,000 due to Infracapital Partners III Subholdings (Euro) LP, £35,416,000 due to Infracapital Partners III Subholdings (Sterling) LP and £9,889,000 due to Digital Infrastructure Investment Partners LP. For the period ended 31 December 2019, interest capitalised on the loans amounted to £8,771,000.

**13. Share capital**

	<b>2019 £ 000</b>
<b>Allotted, issued and fully paid</b>	
4,610,100,000 Ordinary shares of £0.01 each	<u>46,101</u>

## **BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019**

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#### **14. Financial Instruments**

##### **Financial assets**

The Company holds loan notes in its investment undertaking. The loan notes are held at amortised cost, where the fair value of the loan notes is deemed a reasonable approximation of amortised cost. The loan note investments include £189,000,000 unsecured loan notes repayable in 2031 issued with an interest rate of 6% held in Bowmore UK 3 Limited.

##### **Financial liabilities**

The Company has issued loan notes to Infracapital Partners III Subholdings (Euro) LP, Infracapital Partners III Subholdings (Sterling) LP and Digital Infrastructure Investment Partners LP which are held at amortised cost, where the fair value of the advanced loan is deemed a reasonable approximation of amortised cost. The loan notes issued are made up of £152,466,000 unsecured loan notes repayable in 2031 with an interest rate of 6%, £35,416,000 unsecured loan notes repayable in 2031 with an interest rate of 6% and £9,889,000 unsecured loan notes repayable in 2031 with an interest rate of 6% payable to Infracapital Partners III Subholdings (Euro) LP, Infracapital Partners III Subholdings (Sterling) LP and Digital Infrastructure Investment Partners LP respectively.

#### **15. Related party transactions**

During the period, the Company had loans payable of £152,466,000, £35,416,000 and £9,889,000 owed to Infracapital Partners III Subholdings (Euro) LP, Infracapital Partners III Subholdings (Sterling) LP and Digital Infrastructure Investment Partners LP. As at period end, interest expense capitalised on the loans amounted to £8,771,000.

In accordance with paragraph 33.1A of FRS 102, the Company has not disclosed transactions with fellow wholly owned group-entities.

#### **16. Directors' emoluments**

No emoluments were paid to the Directors during the period in connection with the management of the affairs of the Company.

All Directors were employed during the year by M&G FA Limited (formerly M&G Limited). Their responsibilities include being the Directors of Bowmore UK 2. Analyses of staff costs, pension commitments and share based payments are shown in the annual report and financial statements of that company.

#### **17. Post balance sheet events**

##### **Covid-19**

The Company has investments in equity and Loan Notes issued by a wholly-owned subsidiary, Bowmore UK 3 Limited, a holding company with an underlying investment of 50% in SSE Telecommunications Limited (collectively "SSET"), a joint venture with SSE plc, a UK listed utility. SSET is one of the UK's leading telecoms connectivity providers. SSET is experiencing impacts on its Revenues, Liquidity, Working arrangements of Employees and its Supply Chain. The Management of SSET has triggered contingency plans to maintain the operation of the existing infrastructure that provides services to its customers.

The Directors are in regular contact with SSET's management, providing support and guidance. The unprecedented lock-down measures taken by the UK and devolved Governments have been in place for a number of months and steps are now being taken to reopen parts of the economy. The long term impact on SSET will depend on the timescales of the steps being taken to normalise people movement and economic activity.

**BOWMORE UK 2 LIMITED (FORMERLY KNOWN AS BOWMORE HOLDCO2 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**17. Post balance sheet events (continued)**

**Covid-19 (continued)**

The Directors will continue to assess the impact of these measures on the current fair value of its investments in SSET. In the short term, the valuation will fall. Any recovery in the fair value and its timing will depend on the final scale of the impact on SSET's business and the measures taken by management to bring activities back to normal post lock-down.

There have been no other significant events affecting the Company since the period end which requires adjustment for or disclosure in the financial statements.

**18. Immediate and ultimate controlling parties**

The Company's immediate parent entity is Bowmore UK 1 Limited, registered in the United Kingdom.

The ultimate parent entities of Bowmore UK 2 Limited are Infracapital Partners III (Euro) SCSp and Infracapital Partners III (Sterling) SCSp, registered in Luxembourg.