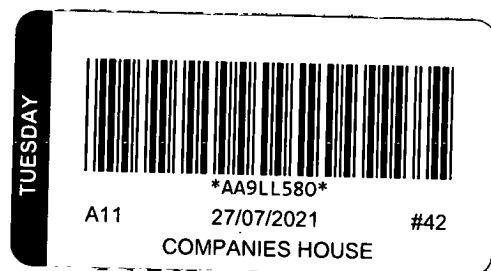


**Company Registration No. 12028973 (England and Wales)**

**AVID MIDCO LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**  
**PAGES FOR FILING WITH REGISTRAR**



# **AVID MIDCO LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

**AVID MIDCO LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investments	2		20		20
<b>Current assets</b>					
Debtors	4	17,373,357		18,215,800	
<b>Creditors: amounts falling due within one year</b>	5	<u>(6,390,550)</u>		<u>(6,677,156)</u>	
<b>Net current assets</b>			10,982,807		11,538,644
<b>Total assets less current liabilities</b>			10,982,827		11,538,664
<b>Creditors: amounts falling due after more than one year</b>	6		(12,390,642)		(11,948,109)
<b>Net liabilities</b>			<u>(1,407,815)</u>		<u>(409,445)</u>
<b>Capital and reserves</b>					
Called up share capital	7		-		-
Share premium account			20		20
Profit and loss reserves			<u>(1,407,835)</u>		<u>(409,465)</u>
<b>Total equity</b>			<u>(1,407,815)</u>		<u>(409,445)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30/6/21 and are signed on its behalf by:



Mr J M Terry  
Director

# AVID MIDCO LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 3 June 2019</b>	-	-	-
<b>Period ended 31 December 2019:</b>			
Loss for the period	-	(409,465)	(409,465)
Issue of share capital	20	-	20
<b>Balance at 31 December 2019</b>	20	(409,465)	(409,445)
<b>Period ended 31 December 2020:</b>			
Loss for the year	-	(998,370)	(998,370)
<b>Balance at 31 December 2020</b>	20	(1,407,835)	(1,407,815)

# **AVID MIDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

Avid Midco Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Central Square, 5th Floor, 29 Wellington Street, Leeds, LS1 4DL.

#### **Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **Consolidated financial statements**

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### **Going concern**

At 31 December 2020, the company had net liabilities of £1,407,815 (2019 - £409,445) and made a loss of £998,370 (period ended 31 December 2019 - £409,465). The company's borrowings are structured over the long term, such that net current assets remain adequate for trading purposes. At the time of approving the financial statements, the directors have a reasonable expectation that company has adequate resources and support from its shareholder to continue in operational existence for the foreseeable future and meet all liabilities as they fall due.

In arriving at this conclusion, the directors have reviewed in detail the potential impact of Covid-19 on forecast trading and modelled a number of worst case scenarios. As a result, combined with strong trading performance for the first half of 2021 with no credit issues, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Reporting period**

In the previous period, the company prepared its first financial statements from incorporation date of 3 June 2019 to 31 December 2019. Therefore, the previous period of accounts is not directly comparable.

#### **Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# AVID MIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

##### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of fixed asset investments to determine whether there is any indication that those assets have 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).

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# AVID MIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies (Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including amounts owed to group undertakings and loan notes, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

#### 2 Fixed asset investments

	2020 £	2019 £
Investments	20	20
	<u>20</u>	<u>20</u>
<b>Movements in fixed asset investments</b>		
		<b>Shares in group undertakings £</b>
<b>Cost</b>		
At 1 January 2020 & 31 December 2020		20
		<u>20</u>
<b>Carrying amount</b>		
At 31 December 2020		20
		<u>20</u>
At 31 December 2019		20
		<u>20</u>

# AVID MIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Avid Bidco Limited	*	Intermediary holding company	Ordinary	100.00	-
Avid Insurance Services Limited	*	Insurance intermediary	Ordinary	-	100.00
Igloo Holdco Limited	*	Intermediary holding company	Ordinary	-	100.00

\* Central Square, 5th Floor, 29 Wellington Street, Leeds, LS1 4DL

### 4 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	17,373,357	18,215,800

### 5 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	6,390,550	6,677,156

### 6 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Loan notes	12,390,642	11,948,109

### 7 Called up share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid 20 Ordinary shares of 1p each	-	-



# **AVID MIDCO LIMITED**

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

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **8 Financial commitments, guarantees and contingent liabilities**

The company, along with its fellow group undertakings, Avid Topco Limited, Avid Bidco Limited and Avid Insurance Services Limited, has a fixed and floating charge over all of its assets as security against loan notes of £11,938,429 (2019 - £11,742,823) issued by the group to Beech Tree GP II Limited (as general partner for Beech Tree Private Equity Partners II, L.P.), the parent company of Avid Topco Limited.

The company, along with its fellow group undertakings, Avid Topco Limited, Avid Bidco Limited and Avid Insurance Services Limited, has a fixed and floating charge over all of its assets as security against bank loans of £3,550,862 (2019 - £3,754,824) payable by Avid Bidco Limited.

#### **9 Related party transactions**

The company has loan notes of £11,938,429 (2019 - £11,742,823) due to Beech Tree GP II Limited (as general partner for Beech Tree Private Equity Partners II, L.P.), the ultimate parent company. The loan notes mature in 2024 and interest is charged at 8%. Interest of £955,074 (period ended 31 December 2019 - £391,213) and amortisation of loan arrangement fees of £40,566 (period ended 31 December 2019 - £16,902) was charged during the year. The outstanding balance, including the interest accrued, is included within other creditors falling due after more than one year.

#### **10 Consolidated accounts**

Avid Topco Limited is the parent of the smallest group for which consolidated financial statements including Avid Midco Limited are drawn up. Avid Topco Limited has the registered office of Central Square, 5th Floor, 29 Wellington Street, Leeds, LS1 4DL.

#### **11 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Hugh Fairclough.

The auditor was RSM UK Audit LLP.