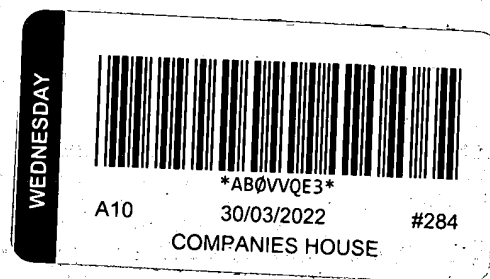


Registered number: 11899597

MIDCO 8787 1 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021



MIDCO 8787 1 LIMITED

COMPANY INFORMATION

Directors

Mr N Brawn
Mr A Davidson (resigned 19 July 2021)
Mr D Garratt (appointed 2 October 2020)
Mr P Clarke (resigned 2 October 2020)
Mr S Panchal (resigned 2 October 2020)
Mr R Grimshaw (appointed 20 July 2021)

Registered number

11899597

Registered office

Unit 3 Caxton Close
Drayton Fields Industrial Estate
Daventry
NN11 8RT

Independent auditor

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

MIDCO 8787 1 LIMITED

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MIDCO 8787 1 LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

Introduction

The directors of Midco 8787 1 Limited present their Strategic Report on the affairs of the Group, together with the audited financial statements for the year ended 30 June 2021.

Review of the business

The principal activity of the Group is the provision of legal conveyancing services to home movers in respect of residential property transactions. This activity is regulated by the Council for Licensed Conveyancers. The Group also provides panel management services to certain estate agency businesses, whereby it manages panels of law firms who, in turn, provide conveyancing services to home movers introduced by those estate agencies.

The Company was incorporated on 22 March 2019. The Company remained dormant until 30 July 2019 when the Group acquired Simply Conveyancing Property Lawyers Limited, Simply Conveyancing Panel Management Limited, Simply Green Energy Services Limited and Just UK Legal Services Limited.

During the year to 30 June 2021 and prior period ended 30 June 2020, the residential property market was subject to a number of restrictions and incentives that impacted trading in these periods.

During the first national lockdown, in Spring 2020, a short term closure of the residential property market impacted the Group through a very significant reduction in both the number of new conveyancing instructions received and existing instructions completed. The Group responded to this by furloughing a proportion of its staff, whilst continuing to progress its pipeline of existing conveyancing instructions in anticipation of the property market reopening. This approach paid dividends through a strong recovery in transactions completing once lockdown restrictions were eased.

During the year to 30 June 2021, the Group has benefited from increased transaction volumes, in part driven by a temporary reduction in Stamp Duty payable on residential property transactions in the UK. This Stamp Duty holiday was extended to 30 June 2021 and further, on certain transactions, to 30 September 2021.

The Group's agility towards hybrid working and its investment in IT hardware and software positioned it well to cope with fluctuating demand whilst carefully ensuring it operated within its identified capacity levels.

Key performance indicators

Being a holding company there are no Company specific key performance indicators. The performance indicators for the Group are disclosed in the financial statements of Topco 8787 Limited.

MIDCO 8787 1 LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

Principal risks and uncertainties and financial risk management**Business and operational risk**

The ongoing profitability and growth of the Group's business is dependent on a continued flow of new instructions from clients and having the necessary team of conveyancing lawyers and supporting staff in place to undertake the required conveyancing services for these clients.

The majority of the Group's clients are introduced by estate agency firms. The continued referral of clients by the Group's estate agency partners is dependent on high quality of service being delivered on conveyancing transactions. The Group continually monitors feedback to ensure high service levels are maintained and takes corrective action where required.

The Group seeks to ensure that it has adequate resources to complete its pipeline of conveyancing instructions by forward planning and recruiting staff to ensure it has sufficient capacity.

The Group is also reliant on its IT systems to deliver a high level of service and to improve its operational efficiency over time. The Group invests significantly in both IT hardware and software and a team of specialist IT staff to ensure this requirement is met.

Cash flow and liquidity risk

The Group aims to mitigate liquidity risk through proactive management of working capital and financial forecasting. The Group also manages liquidity risk through the use of revolving credit facilities and maintaining appropriate levels of bank borrowings. During the period to 30 June 2020, the Group put in place bank facilities via a Senior Facility Agreement with Clydesdale Bank plc which it has continued to utilise in the period to 30 June 2021. In the period to 30 June 2020 the Group made use of the Coronavirus Business Interruption Loan Scheme ("CBILS") to increase its financial headroom. At 30 June 2021 the Group had consolidated cash balances of £6.8 million (30 June 2020 £7.3 million).

Interest rate risk

The Group's exposure to market risk in relation to changes in interest rates relates primarily to its senior debt facilities, which are linked to bank base rate. The Group manages this risk through use of sensitivity analysis and seeks to maintain adequate headroom against an adverse move in base rates.

Currency risk

The Group's activities are concentrated in the United Kingdom and as such there is minimal exposure to the financial risks of changes in foreign currency exchange rates. The Group does not use derivative financial instruments.

Credit risk

The Group's principal financial assets are bank balances and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts stated in the balance sheet are net of provisions for bad and doubtful debts. An impairment provision is made where a risk is identified which, based on previous experience, is evidence of a reduction in the recoverability of amounts due to the Group.

The Group does not have a significant concentration of credit risk; its receivables balances are spread over many customers. The majority of client receivables are settled immediately upon completion of a conveyancing transaction.

MIDCO 8787 1 LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

COVID-19 risk

Protecting staff and ensuring they remain healthy has been the first priority of the Group through the COVID-19 pandemic. The Group has responded to the risk of further disruption caused by the COVID-19 pandemic by equipping the large majority of its staff to work from home. This was implemented during the first national lockdown and subsequently and, whilst this approach causes operational inefficiencies in some areas, it has enabled the Group's core operations to continue. In compliance with the evolving government guidance, the Group has progressively moved to a hybrid working model, offering both office and work from home solutions where possible.

The Group is exposed to the risk of a further closure of the property market (i.e. restrictions on the viewing of properties and moving home) as part of measures which could be implemented to control the spread of the COVID-19 virus. The impact of such a closure would depend on its duration. The Group would seek to mitigate such risks by taking advantage of Government schemes, where available, and by reducing discretionary expenditure.

Review of current trading and future prospects

The Group has continued to invest in building operational capacity and enhancing efficiency to provide further headroom for growth. In the longer term, the Directors believe that the Group's reputation for providing high quality conveyancing coupled with its low share of the UK residential conveyancing market will enable it to achieve further growth. Since the end of the last financial year, the Group has continued to deliver year on year revenue growth driven by favourable pricing mix. Volumes however have remained flat year on year as the overall UK housing market has seen a slowing of the pace of transaction completions following the end of the Stamp Duty incentive periods.

Due to this slowdown of the UK housing market and the potential impact on trading, the Directors have produced detailed cash flow forecasts covering the period to 30 June 2024 based on their best estimate of likely financial performance. The Directors have run a number of downside sensitivities assuming a less favourable trading environment and resulting lower levels of profitability and cash generation. The base case and sensitised forecasts indicate that the Group will meet the terms of its banking facility agreement during the forecast period.

The Directors consider the current liquidity of the Company to be strong. At 30 June 2021, the Company had cash balances of £6.8m. The Directors have prepared and reviewed financial projections based on their best estimate of future trading through to 30 June 2024 as further described in note 2.2 to the financial statements and, on that basis, have concluded that the Company has adequate financial resources to meet its liabilities as they fall due and, accordingly, that the financial statements should be prepared on a going concern basis.

This report was approved by the board on 25 March 2022 and signed on its behalf.

Neil Brawn

Mr N Brawn
Director

MIDCO 8787 1 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

The directors present their report and the financial statements for the year ended 30 June 2021.

Principal activity

The principal activity of the Company is that of an intermediate holding company.

Directors

The directors who served during the year were:

Mr N Brawn
Mr A Davidson (resigned 19 July 2021)
Mr D Garratt (appointed 2 October 2020)
Mr P Clarke (resigned 2 October 2020)
Mr S Panchal (resigned 2 October 2020)

The following director was appointed after the year end:

Mr R Grimshaw (appointed 20 July 2021)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and 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.

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.

MIDCO 8787 1 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

Qualifying third party indemnity provisions

During the year and up to the date of this report, the Company maintained liability insurance and third-party indemnification provisions for its directors, under which the Company has agreed to indemnify the director to the extent permitted by the law in respect of all liabilities to third parties arising out of, or in connection with the execution of their powers, duties and responsibilities as director of the Company.

Matters covered in the strategic report

The review of the business, principal activities, principal risks and uncertainties and key performance indicators, are addressed in the strategic report.

Post balance sheet events

On September 30th 2021, the Group (Topco 8787 Limited) acquired 100% of the issued share capital of Pirie Palmann Holdings Limited ("PPHL") for an initial consideration of £3.1m with deferred consideration of up to £1.7m, subject a number of post completion conditions being met. PPHL is the ultimate holding company of Pirie Palmann Limited who's principal activity is the provision of legal conveyancing services to home movers in respect of residential property transactions.

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.

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 25 March 2022 and signed on its behalf.

Neil Brawn

Mr N Brawn
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDCO 8787 1 LIMITED

Opinion

We have audited the financial statements of Midco 8787 1 Limited (the 'Company') for the year ended 30 June 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet 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 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 30 June 2021 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDCO 8787 1 LIMITED (CONTINUED)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDCO 8787 1 LIMITED (CONTINUED)

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 Strategic Report or 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report.

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDCO 8787 1 LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to many laws and regulations, where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur, tax legislation, anti-bribery legislation and employment law, Know Your Customer and Anti Money Laundering;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes and certain other audit procedures;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with employees from different parts of the business to understand where it is considered there was a susceptibility of fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where risk was considered to be higher, we performed audit procedures to address each identified fraud risk;
- Our audit procedures involved: journal entry testing with focus on unusual transactions, based on our understanding of the business and enquiries of management. In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements; and
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDCO 8787 1 LIMITED (CONTINUED)

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity including:
 - the provisions of the applicable legislation
 - the applicable statutory provisions
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the entity's control environment, including the policies and procedures implemented to comply with the entity's control environment, including the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

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.

A handwritten signature in black ink, appearing to read "David White".

David White BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

25 March 2022

MIDCO 8787 1 LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

		Year ended 30 June 2021 £	<i>Period ended 30 June 2020 £</i>
Administrative expenses		(69,284)	(66,471)
Operating loss	4	(69,284)	(66,471)
Interest receivable and similar income		2,569,228	2,393,011
Interest payable and expenses		(2,703,484)	(2,428,151)
Loss before tax		(203,540)	(101,611)
Tax on loss	5	-	-
Loss for the financial year/period		(203,540)	(101,611)

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 13 to 20 form part of these financial statements.

MIDCO 8787 1 LIMITED
REGISTERED NUMBER:11899597

BALANCE SHEET
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	6	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due after more than one year	7	24,747,637	22,020,919
Debtors: amounts falling due within one year	7	-	2,393,011
Cash at bank and in hand	8	753	-
		<u>24,748,390</u>	<u>24,413,930</u>
Creditors: amounts falling due within one year	9	(5,381)	(2,154,972)
Net current assets		<u>24,743,009</u>	<u>22,258,958</u>
Total assets less current liabilities		<u>24,743,010</u>	<u>22,258,959</u>
Creditors: amounts falling due after more than one year	10	(25,048,160)	(22,360,569)
Net liabilities		<u>(305,150)</u>	<u>(101,610)</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	(305,151)	(101,611)
		<u>(305,150)</u>	<u>(101,610)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 March 2022.

Nil Brawn

Mr N Brawn
Director

The notes on pages 13 to 20 form part of these financial statements.

MIDCO 8787 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. General information

Midco 8787 1 Limited is a private company limited by shares, incorporated in England and Wales, registration number 11899597. The address of the registered office is Unit 3 Caxton Close, Drayton Fields Industrial Estate, Daventry, England, NN11 8RT.

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 Section 1A of 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 following principal accounting policies have been applied:

2.2 Going concern

Midco 8787 1 Limited is an intermediate holding company with net liabilities of £305,150 as at 30 June 2021 and loss for the year then ended of £203,540. The Company is a wholly owned subsidiary of Topco 8787 Limited. The directors have assessed the going concern of the group as a whole, comprising Topco 8787 Limited and all of its subsidiary undertakings (together 'the Group').

The Directors recognise that the ongoing impact of Covid-19 continues to create a high level of uncertainty as to the impact the virus will have on the economy in general and the UK property market in particular. Against this backdrop, the Directors have given detailed consideration to the financial position of the Group, its cash flows, liquidity position and borrowing facilities, including projected compliance with banking covenants.

As at 30 June 2021, the Group had outstanding bank borrowings, provided by Clydesdale Bank plc under the terms of a senior facility agreement totalling £8,633,333 and it had cash balances of £6,799,531. The bank borrowings at 30 June 2021 comprised: a term loan of £4,500,000 repayable on 31 October 2025; a term loan of £2,800,000 repayable in quarterly instalments over the period to 31 October 2024; and a further term loan made available under the Coronavirus Business Interruption Loan Scheme of £1,333,333 repayable in monthly instalments over the period from 31 December 2020 to 31 May 2025. In addition the Group had an undrawn amount of £1,000,000 available to it under a revolving credit facility made available by Clydesdale Bank plc.

The Group also has shareholder loans outstanding, which totalled £19,982,785 as at 30 June 2021. No amounts are repayable until 30 November 2025.

Under the terms of the senior facility agreement with Clydesdale Bank plc, the Group is subject to financial covenants. The principal covenants during the period to 31 December 2022 being minimum EBITDA and minimum liquidity levels. Thereafter, the principal covenant being a leverage test comparing the last 12 months' EBITDA to net bank debt.

The Directors have produced detailed cash flow forecasts covering the period to 30 June 2024 based on their best estimate of likely financial performance. The Directors have also run a number of downside sensitivities assuming a less favourable trading environment and resulting lower levels of profitability and cash generation. In all cases, the Group is forecast to fully meet these banking covenants.

MIDCO 8787 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)**2.2 Going concern (continued)**

Topco 8787 Limited has indicated its intention to continue to make available such funds as are needed by the Company including seeking repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Taking into consideration the forecast trading and cashflow performance of the Group, the Directors consider that the going concern basis of accounting continues to be appropriate for the preparation of the financial statements, on the basis that the Group will be able to continue to meet its financial obligations as they fall due for a period of not less than twelve months from the date of approval of these financial statements.

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 ultimate parent undertaking and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss 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

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

MIDCO 8787 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)**2.10 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.

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

In the application of the Company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of the assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 and future periods if the revision affects both current and future periods.

Management believe there are no areas of estimates or significant judgements which would have a significant effect on the amounts recognised in the financial statements.

4. Operating loss

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

The average monthly number of employees, including directors, during the year was 3 (2020: 4).

5. Taxation

	Year ended 30 June 2021 £	<i>Period ended 30 June 2020 £</i>
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	1	-
Effect of tax rate changes on opening balance	(1)	-
Total deferred tax	-	-
Taxation on loss on ordinary activities	-	-

MIDCO 8787 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

5. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2020: *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Loss on ordinary activities before tax	(203,540)	(101,611)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(38,673)	(19,306)
Effects of:		
Expenses not deductible for tax purposes	357,402	-
Income not taxable for tax purposes	(488,153)	-
Group relief surrendered/(claimed)	132,137	17,274
Remeasurement of deferred tax for changes in tax rates	(19,663)	-
Deferred tax not recognised	56,950	2,032
Total tax charge for the year/period	-	-

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the standard rate of corporation tax will increase to 25%.

MIDCO 8787 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

6. Fixed asset investments

	Investments in subsidiary company £
Cost or valuation	
At 1 July 2020	1
At 30 June 2021	<u>1</u>
Net book value	
At 30 June 2021	<u>1</u>
At 30 June 2020	<u>1</u>

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name

Midco 8787 2 Limited

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name

Bidco 8787 Limited

Simply Conveyancing Property Lawyers Limited

Simply Conveyancing Panel Management Limited

Just UK Legal Services Limited

Simply Green Energy Services Limited

The holding in all subsidiaries is 100% and their registered office is:

3 Caxton Close
Drayton Fields Industrial Estate
Daventry
NN11 8RT

MIDCO 8787 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

7. Debtors

	2021 £	2020 £
Due after more than one year		
Amounts owed by group undertakings	19,785,399	22,020,919
Prepayments and accrued income	4,962,238	-
	<u>24,747,637</u>	<u>22,020,919</u>
Due within one year		
Prepayments and accrued income	-	2,393,011
	<u>-</u>	<u>2,393,011</u>

8. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	753	-
	<u>753</u>	<u>-</u>

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Shareholders loans	-	1,999,476
Trade creditors	7	-
Accruals and deferred income	5,374	155,496
	<u>5,381</u>	<u>2,154,972</u>

MIDCO 8787 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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

	2021 £	2020 £
Shareholders loans	19,982,784	20,038,276
Amounts owed to group undertakings	521,999	521,999
Accruals and deferred income	4,543,377	1,800,294
	<u>25,048,160</u>	<u>22,360,569</u>

11. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Shareholders loans	-	1,999,476
Amounts falling due 2-5 years		
Shareholders loans	19,982,784	-
Amounts falling due after more than 5 years		
Shareholders loans	-	20,038,276
	<u>19,982,784</u>	<u>22,037,752</u>

The shareholder loans outstanding as at 30 June 2021 is £19,982,784 (2020: £22,037,752). No further amounts are repayable until 30 November 2025.

12. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 (2020: 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

MIDCO 8787 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

13. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

14. Post balance sheet events

On September 30th 2021, the Group (Topco 8787 Limited) acquired 100% of the issued share capital of Pirie Palmann Holdings Limited ("PPHL") for an initial consideration of £3.1m with deferred consideration of up to £1.7m, subject a number of post completion conditions being met. PPHL is the ultimate holding company of Pirie Palmann Limited who's principal activity is the provision of legal conveyancing services to home movers in respect of residential property transactions.

15. Controlling party

The Company's immediate parent undertaking is Topco 8787 Limited, a company incorporated in England and Wales with a registered office at 3 Caxton Close, Drayton Fields Industrial Estate, Daventry, NN11 8RT.

The smallest and largest group into which the results of the Company are consolidated is that headed by Topco 8787 Limited. Copies of the consolidated accounts of Topco 8787 Limited may be obtained from Unit 3 Caxton Close, Drayton Fields Industrial Estate, Daventry, NN11 8RT.

The ultimate controlling party is Livingbridge Enterprise 2 LP by virtue of its majority shareholding in the Company's ultimate parent undertaking Topco 8787 Limited.