

PROJECT PRESTIGE MIDCO LIMITED
REPORT AND COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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PROJECT PRESTIGE MIDCO LIMITED
REPORT AND COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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PROJECT PRESTIGE MIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STRATEGIC REPORT

Principal Activities and Review of Business

The principal activity of the company is as a holding company to Project Prestige BidCo Limited.

Incorporation

These accounts are for the year to 31st December 2022. The company was incorporated on 12th November 2020 and the prior period results in these accounts are for the period from incorporation to 31 December 2021.

Acquisition of Project Prestige BidCo Ltd

On 22nd March 2021 the company issued 6,000 ordinary shares of £0.01 each for cash proceeds of £6,000 to Project Prestige TopCo Limited with that company becoming the immediate parent company.

On the same day the company also issued A1 loan notes of £6,208,161, A2 loan notes of £1,498,366 and Manager B loan notes of £5,142,042.

On 22nd March 2021 the company purchased 100% of the share capital of Project Prestige Bidco Limited for cash proceeds of £6,001 and loan notes of £5,142,042.

The company also entered into an intercompany loan agreement with Project Prestige Bidco Limited under which it loaned £7,706,598.

Key risks and Uncertainties

The company is a holding company and as such the risks and uncertainties relate to the performance of the group. The key risks of the group are set out in the financial statements of the parent company, Project Prestige TopCo Limited.

The Company relies on the underlying group in order to generate cash which can be used to repay the loan balances as well as servicing interest charges and related expenses.

Key Performance Indicators

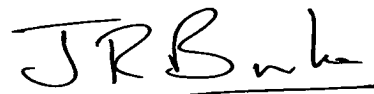
Based on the principal activities of the Company being that of a holding company, the Directors consider the key performance indicator in respect of the year to be the continued investment in ES Global Holdings Limited by Project Prestige Bidco Limited, a subsidiary of the Company.

This report has been approved by the board and signed on its behalf by:



Olly Watts

Date: 19 February 2024



Jeff Burke

Date: 19 February 2024

PROJECT PRESTIGE MIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

REPORT OF THE DIRECTORS

The directors submit their Annual Report together with the audited consolidated financial statements of the company for the year ended 31 December 2022.

Registered Office and Company Number

The registered office is Unit G East, Coate House, 1 – 3 Coate Street, London, E2 9AG. The company number is 13014136.

Directors

The directors during the year were as follows:

A. Lobel
S. Singh
J. Burke
O. Watts
N. Hayllar (Resigned 16th November 2023)

Results and Dividends

The profit attributable to shareholders of £748,791 has been transferred to reserves. The directors have not recommended payment of a dividend.

Going Concern

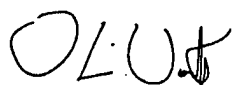
The company operated throughout the year within its finance facilities and is supported by other group companies. The trading companies of the group traded profitably throughout the year and the group currently has positive cash balances and a present pipeline of potential work extending well into 2024. The Directors are confident that the company will continue to meet its obligations under its loan agreements and continue as a going concern for the foreseeable future.

Statement on Disclosure of Information to Auditors

The directors at the time when this report was approved confirm that:

- (a) so far as they are aware, there is no relevant audit information of which the group's independent auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as directors, including making appropriate enquiries of fellow directors and the group's independent auditors for that purpose, in order to be aware of any information needed by the group's independent auditors in connection with preparing their report and to establish that the group's independent auditors are aware of that information.

This report was approved by the Board and signed on its behalf by:



Olly Watts

Date: 19 February 2024



Jeff Burke

Date: 19 February 2024

PROJECT PRESTIGE MIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities

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 UK adopted international 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;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

PROJECT PRESTIGE MIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT PRESTIGE MIDCO LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 202 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Project Prestige Midco Limited (the 'Company') for the period ended 31 December 202 which comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the 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 UK adopted international accounting standards and, as regards the financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

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.

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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

PROJECT PRESTIGE MIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT PRESTIGE MIDCO LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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 period 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.

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.

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 by the Company, 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.

Responsibilities of Directors

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.

PROJECT PRESTIGE MIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT PRESTIGE MIDCO LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be the applicable accounting framework, the Companies Act 2006, the Bribery Act 2010 and tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with Management regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - detecting and responding to the risks of fraud and
 - internal controls established to mitigate risks related to fraud;
- Review of minutes of meeting of the Board for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

PROJECT PRESTIGE MIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT PRESTIGE MIDCO LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

Based on our risk assessment, we considered the area's most susceptible to fraud to be management override in respect of manual journal entries.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

Alexander Tapp

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Alexander Tapp (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 19 February 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ending 31 December 2022 £	Period ending 31 December 2021 £
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(17,600)	(10,999)
Operating profit		(17,600)	(10,999)
Finance income	5	1,886,663	1,696,140
Finance costs	5	(1,052,332)	(1,050,674)
Profit before income tax		816,731	634,467
Taxation	7	(67,940)	-
Total comprehensive income for the period		<u>748,791</u>	<u>634,467</u>

All amounts relate to continuing operations and the company has no items of other comprehensive income.

The notes on pages 11 to 21 form part of these financial statements.

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

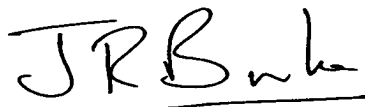
STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Non-current assets			
Investments	9	5,148,043	5,148,043
		<u>5,148,043</u>	<u>5,148,043</u>
Current assets			
Trade and other receivables	10	3,633,923	9,366,389
Deferred Tax	11	95,705	-
		<u>3,729,628</u>	<u>9,366,389</u>
TOTAL ASSETS		<u>8,877,671</u>	<u>14,514,432</u>
EQUITY AND LIABILITIES			
Share capital	13	61	61
Share premium account	13	5,940	5,940
Retained earnings		<u>1,383,258</u>	<u>634,467</u>
TOTAL EQUITY		<u>1,389,259</u>	<u>640,468</u>
Current Liabilities			
Corporation Tax Payable		163,644	-
		<u>163,644</u>	<u>-</u>
Non-Current Liabilities			
Long term loans	12	7,324,768	13,873,964
		<u>7,324,768</u>	<u>13,873,964</u>
TOTAL LIABILITIES		<u>7,488,412</u>	<u>13,873,964</u>
TOTAL EQUITY AND LIABILITIES		<u>8,877,671</u>	<u>14,514,432</u>

The financial statements were approved and authorised for issue by the Directors by:



Olly Watts
 Director
 Date: 19/2/24



Jeff Burke
 Director
 Date: 19/2/24

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF CHANGES IN EQUITY

Company	<u>Share capital</u> £	<u>Share premium</u> £	<u>Retained earnings</u> £	<u>Total</u> £
Total equity at 12 November 2020	-	-	-	-
New ordinary shares issued	61	5,940		6,001
Comprehensive income for the period	-	-	634,467	634,467
Total equity at 31 December 2021	61	5,940	634,467	640,468
Profit for the year	-	-	748,791	748,791
Total equity at 31 December 2022	61	5,940	1,383,258	1,389,259

The following describes the nature and purpose of each reserve within owners' equity:

<u>Reserve</u>	<u>Description of purpose</u>
Share capital	Amount subscribed for share capital at nominal value
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income
Share premium	Amounts paid over and above the nominal value of shares.

The notes on pages 11 to 21 form part of these financial statements.

PROJECT PRESTIGE MIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

Project Prestige MidCo Limited (the “Company”) is a private company limited by shares, incorporated and domiciled in England and Wales. The principal place of business is Unit G East, Coate House, 1 – 3 Coate Street, London, E2 9AG and its registered office is also at the same address.

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

2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied.

(a) Basis of preparation of the financial statements

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The measurement basis used in the preparation of the financial statements is the historical cost basis unless otherwise stated in the accounting policies below.

The preparation of financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period (see note 4). No cash flow statement has been prepared as the company does not have a bank account. All payments and receipts are processed through group companies.

(b) Going Concern

The company operated throughout the year within its finance facilities and is supported by other group companies. The trading companies of the group traded profitably throughout the year and the group currently has positive cash balances and a present pipeline of potential work extending well into 2023. The Directors are confident that the company will continue to meet its obligations under its loan agreements and continue as a going concern for the foreseeable future.

(c) Investments

Investments in subsidiaries are valued at cost less provision for impairment.

(d) Trade and other receivables

Financial assets are recognised in the company's Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument.

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Trade and other receivables (continued)

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. An allowance is made when there is objective evidence that the company will not be able to collect amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the carrying amount and the recoverable amount. The amount of the allowance is recognised in the profit/loss in the Statement of Comprehensive Income.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against bad and doubtful debts in profit/loss in the Statement of Comprehensive Income.

Amounts recoverable on contracts represent cost and a prudent proportion of the estimated profit attributed to work carried out to date less foreseeable losses and progress payments received or receivable.

(e) Trade and other payables

Financial liabilities are recognised in the Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument.

Trade and other payables including amounts due to related parties, are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would have been immaterial, in which case they are stated at cost.

(f) Income tax

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the Statement of Comprehensive Income except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

PROJECT PRESTIGE MIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Share capital

Ordinary shares are classified as equity.

(h) Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in British Pounds (GBP) which is the entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(i) Related parties

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the company where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the company or of any entity that is a related party of the company.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

New standards, interpretations and amendments adopted from 1 January 2022

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2022. See the applicable notes for further details on how the amendments affected the Group.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Group has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37.68A clarify, that the costs relating directly to the contract consist of both:

PROJECT PRESTIGE MIDCO LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

The amendment had no impact on the financial statements of the Company as the Company, prior to the application of the amendments and after considering the impact of the amendment, did not have any onerous contracts.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after it is being constructed but before start of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in profit or loss.

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 & IAS 41)

- IFRS 1: Subsidiary as a First-time Adopter (FTA)
- IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial liabilities
- IAS 41: Taxation in Fair Value Measurements

References to Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

New standards, interpretations and amendments not yet effective (continued)

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The company makes estimates and assumptions concerning the future. The company undertakes term contracts which may extend a significant period into the new year with profits generated dependent on the performance of the contract in the following period. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

5 FINANCE INCOME AND COSTS

	Year ending December 31 2022 £	Period ending December 31 2021 £
Finance income		
Intercompany interest	1,886,663	1,696,140
Finance costs		
Interest on loans	1,050,802	1,025,324
Acquisition costs	1,530	25,350
	1,052,332	1,050,674

6 PROFIT BEFORE INCOME TAX

Auditor's remuneration for the statutory audit is charged to, and borne by, the Company's indirect subsidiary, ES Global Holdings Limited.

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

7 TAXATION

	Year ending December 31 2022 £	Period ending December 31 2022 £
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	163,645	-
Origination and Timing Difference	(95,705)	
Total current tax	67,940	-
Tax charge for the period	67,940	-
Factors affecting tax charge for period		
Profit on ordinary activities before tax	816,730	634,467
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19%	155,179	120,549
Group relief claimed	(64,270)	(120,549)
Remeasurement of deferred tax for changes in tax rates	(22,969)	
Total tax charge for the period	67,940	-

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

8 DIRECTORS AND EMPLOYEES

Directors are remunerated via the ultimate parent company Project Prestige TopCo Limited. There are no employees of the company.

9 INVESTMENTS

Cost:	£
At 31 st December 2021	5,148,043
	<hr/>
Additions	-
At 31 st December 2022	5,148,043
	<hr/>

On 22nd March 2021, the company purchased 100% of the shareholding in Project Prestige BidCo Limited.

The loan notes were issued by subsidiary Project Prestige BidCo Limited and are repayable not later than 22nd March 2026. Interest is incurred at 10% per annum payable upon redemption.

10 TRADE AND OTHER RECEIVABLES

	2022	2021
	£	£
Current assets		
Amounts due from related party	3,633,923	9,366,389
	<hr/>	<hr/>
	3,633,923	9,366,389
	<hr/>	<hr/>

11 DEFERRED TAXATION

	2022	2021
	£	£
At 1 January	-	-
Movement in the year (note 8)	95,705	-
At 31 December	95,705	-
	<hr/>	<hr/>

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER PAYABLES

	2022	2021
Non-current liabilities		
A1 Loan Notes	3,332,006	6,208,161
Accrued Interest on A1 Loan Notes	206,204	495,678
A2 Loan notes	804,184	1,498,366
Accrued Interest on A2 Loan Notes	49,333	119,669
Manager B Loan notes	2,762,540	5,142,042
Accrued Interest on Manager B Loan notes	170,501	410,048
	<u>7,324,768</u>	<u>13,873,964</u>

On 22nd March 2021, the company entered into an A1 loan note agreement which is repayable not later than 22nd March 2026. Interest is incurred at 10% per annum payable upon redemption. On 28th June 2022, accrued interest of £797,835 and £2,876,178 of the principal was repaid.

On 22nd March 2021, the company entered into a series of A2 loan note agreements which are repayable not later than 22nd March 2026. Interest is incurred at 10% per annum payable upon redemption. On 28th June 2022, accrued interest of £192,559 and £694,170 of the principal was repaid.

On 22nd March 2021, the company entered into a series of Manager B loan note agreements which are repayable not later than 22nd March 2026. Interest is incurred at 10% per annum payable upon redemption. On 28th June 2022, accrued interest of £659,994 and £2,379,264 of the principal was repaid.

The A1 loan notes, A2 loan notes and Manager B loan notes shall rank in right and priority of payment pari passu and without any preference between them.

The manager B loan noteholders and A2 loan noteholders shall not without consent of the A1 loan notes holders demand, receive or take any action to receive any payment in respect of, any of the debt comprising the Manager B noteholder liabilities or the A2 noteholder liabilities.

The manager B loan noteholders and A2 loan noteholders shall not take or omit to take any action which would be likely, directly or indirectly, to result in the ranking of the A1 loan noteholder liabilities being impaired.

The manager loan noteholders and A2 loan noteholders shall not take any enforcement action in respect of the Manager B loan notes or the A2 loan notes unless at the same time as or prior to any such action being taken, equivalent action is taken or has been taken by the A1 noteholders in relation to the A1 loan notes.

The loan notes are secured by a debenture covering all assets and property of the company held by Flywheel GP Limited as security trustee for the loan note holders.

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

13 SHARE CAPITAL

	Number of Shares	Called up Share Capital £	Share Premium £	Total £
As at 31 November 2020	-	-	-	
Issue of Ordinary Share of £1 on incorporation	1	1	-	1
Ordinary shares of £0.01	6,001	61	5,940	6,001
As at 31 December 2021	6,001	61	5,940	6,001
As at 31 December 2022	6,001	61	5,940	6,001

On 22nd March 2021, 100% of the share capital was purchased by Project Prestige TopCo Ltd.
There were no changes in share capital in the year to 31st December 2022.

14 RELATED PARTY TRANSACTIONS

During the year the Company recharged interest to related parties on the term loan facility.

	Interest Income recharged £	Interest Accrued on Loan Notes £	Balance due (to) / From Related Party £
At 31 December 2022	£	£	£
Project Prestige BidCo Limited	573,160	-	573,160
ES Global Limited	1,176,918	-	1,176,918
NES Overlay Limited	136,585	-	136,585
Oliver Watts	-	(210,104)	(1,466,521)
Jeffrey Burke	-	(210,104)	(1,466,521)
	Interest Income recharged	Interest Accrued on Loan Notes	Balance due (to) / From Related Party
At 31 December 2021	£	£	£
Project Prestige BidCo Limited	414,485	-	414,485
ES Global Limited	769,390	-	769,390
NES Overlay Limited	512,265	-	512,265
Oliver Watts	-	(205,024)	(2,776,045)
Jeffrey Burke	-	(205,024)	(2,776,045)

The balances due to directors Oliver Watts and Jeffrey Burke are for the interest and balance due on redemption of the Manager B loan notes detailed in note 11.

The interest charged to Project Prestige BidCo Limited, ES Global Limited and NES Overlay is a re-charge for interest charged on a term loan facility held in the company.

The balances due to or from related parties are interest free and repayable on demand.

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

15 CONSOLIDATED ACCOUNTS

As permitted by Section 400 of the Companies Act 2006, no consolidated accounts for the group are presented. Consolidated accounts for the group are presented in the accounts of the parent company Project Prestige TopCo Limited.

16 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	<u>Company</u>	<u>Company</u>
	2022	2021
	£	£
Financial assets		
Loans and receivables (including other investments and cash and cash equivalents)	3,633,923	9,366,389
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities at amortised cost	7,324,768	13,873,964
	<hr/>	<hr/>

The fair values of all assets and liabilities approximate to their book values.

(b) Management of capital

The company regards the following as capital:

	2022	2021
	£	£
Share capital	61	61
Share premium	5,940	5,940
Retained earnings	1,383,258	634,467
	<hr/>	<hr/>
	1,389,259	640,468
	<hr/>	<hr/>

The company maintains capital that it views as sufficient for its activities as a holding company.

(c) Financial Risk Factors

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Company's business. These risks are limited by the company's financial management policies and practices described below:

PROJECT PRESTIGE MIDCO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

16 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial Risk Factors (continued)

(i) Credit Risk

Credit risk is monitored by management with the aim of minimising credit losses.

Credit risk exists in respect of trade receivables and cash balances held with the bank.

Management undertake an assessment of clients before entering into a business arrangement to minimize the risk of non-payment.

The Company's credit risk is primarily attributable to trade receivables in respect of contracts. Cash is only held with global banks considered to be of high credit quality.

(ii) Liquidity Risk

The directors regard the availability of funds as sufficient for the company's liquidity requirements and to enable the company's to settle its debts as and when they fall due on an ongoing basis.

The following table details the company's remaining contractual maturities for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay:

2022	Total	3 months or less	3-12 months	12 months or more
	£	£	£	£
A1 Loan Notes	(3,332,006)	-	-	(3,332,006)
Accrued Interest on A1 Loan Notes	(206,204)	-	-	(206,204)
A2 Loan Notes	(804,184)	-	-	(804,184)
Accrued Interest on A2 Loan Notes	(49,333)	-	-	(49,333)
Manager B Loan Notes	(2,762,540)	-	-	(2,762,540)
Accrued Interest on Manager B Loan Notes	(170,501)	-	-	(170,501)
	<u>(7,324,768)</u>	<u>-</u>	<u>-</u>	<u>(7,324,768)</u>

17 ULTIMATE CONTROLLING PARTY

On incorporation, the ultimate controlling party was Inhoco Formations Limited. On 19th March 2021, the ultimate controlling party became Flywheel L.P. by virtue of their controlling interest in Project Prestige TopCo Limited.