

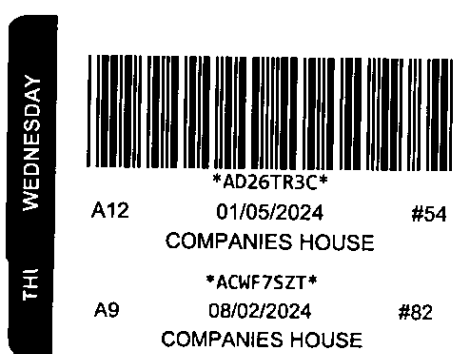
Registered number: 13789216

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## IGUAZU MIDCO 1 LIMITED

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### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022



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**IGUAZU MIDCO 1 LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	C E N Elkington Z C Yee Lai
<b>Registered number</b>	13789216
<b>Registered office</b>	C/O Stuart Turner Limited 45-47 Market Place Henley-On-Thames Oxfordshire RG9 2AD
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1st Floor One Valpy 20 Valpy Street Reading RG1 1AR

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**IGUAZU MIDCO 1 LIMITED**

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**CONTENTS**

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	<b>Page</b>
<b>Group Strategic Report</b>	<b>1 - 4</b>
<b>Directors' Report</b>	<b>5 - 7</b>
<b>Independent Auditor's Report</b>	<b>8 - 12</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>13</b>
<b>Consolidated Balance Sheet</b>	<b>14</b>
<b>Company Balance Sheet</b>	<b>15</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>16</b>
<b>Company Statement of Changes in Equity</b>	<b>17</b>
<b>Consolidated Statement of Cash Flows</b>	<b>18 - 19</b>
<b>Notes to the Financial Statements</b>	<b>20 - 48</b>

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## IGUAZU MIDCO 1 LIMITED

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### GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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#### Introduction

The Board of Directors have pleasure in presenting their Strategic Report for the period ended 30 September 2022.

#### Business review

Iguazu Midco 1 Limited ('Iguazu Midco' or 'the Company') was incorporated on 8 December 2021, and registered in England and Wales.

Iguazu Midco is a holding company, which owns 100% of the issued share capital of Niagara Midco 2 Limited (an intermediate holding company), which in turn owns 100% of the issued share capital of Victoria Bidco Limited (a further intermediate holding company). Both Niagara Midco 2 Limited and Victoria Bidco Limited are companies incorporated and registered in England and Wales.

On 28 January 2022, Iguazu Midco's indirect subsidiary, Victoria Bidco Limited, acquired 100% of the issued share capital of Temple Topco and its subsidiaries ('the Temple Topco group'). This was a secondary management buyout of the Temple Topco group with leading private equity firm Epiris.

The Temple Topco group is a leading UK manufacturer of pump and water boosting solutions with a reputation for product quality, reliability, innovation and customer service, comprising market leading businesses including Stuart Turner and Mikrofill Systems.

Founded in 1906 and headquartered in Henley-on-Thames, Stuart Turner supplies water-boosting products that manage water pressure in residential and commercial applications. These range from domestic shower pumps, where the Stuart Turner's Monsoon product is the UK market leader, to bespoke systems that combine cold-water boosting, pressurisation units and circulators to manage the supply of hot and cold water in commercial buildings and for industrial purposes.

In April 2022, the Group's Fluid Water Solutions subsidiary was integrated into the Stuart Turner entity and now trades as part of Stuart Turner Limited.

On 29 July 2022, Iguazu Midco's subsidiary, Stuart Turner Limited acquired 100% of the issued share capital of Aquatronic Group Management Limited and its subsidiaries ('AGM'). This was a complementary acquisition for Stuart Turner, not only expanding its product range but also bringing a services capability into the business. Based in Colchester, AGM designs and manufactures pressurisation and water booster units, and installs and maintains fresh and waste-water pump systems. AGM offers a nationwide service from its centres in Manchester, Colchester and Southampton. It represents a key first step in the Group's strategy to transform the Group into the leading provider of water-boosting solutions in the UK. The directors are delighted with progress on integration and trading which has been in line with expectations at the time of purchase.

The Consolidated Statement of Comprehensive Income on page 13 of the financial statements shows the Group's financial performance over the period from 8 December 2021 to 30 September 2022. In practice the Group only traded during this period for the 8 months from 28 January 2022 upon the acquisition of Temple Topco and its subsidiaries, to 30 September 2022. AGM only contributed two months of trading in this period following its acquisition on 28 July 2022, generating £2.5 million of revenue in the two months to September 2022.

Turnover reported for the period was £32.6 million. Operating profit before depreciation and amortisation charges was £5.8 million (representing 17.7% of turnover).

The general economic climate in the UK faced the challenges of high general inflation levels and rising interest rates during the period under review, these pressures continuing into the current financial year. However, the Board remains positive of the Group's prospects.

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**IGUAZU MIDCO 1 LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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The Consolidated Balance Sheet of the Group as at 30 September 2022 on page 14 shows net liabilities of £13.5 million but it should be noted that this includes Loan Notes debt of £10.7 million (£10.2 million net of debt raise fees) due principally to funds under the management of Epiris LLP, the Group's ultimate controlling party.

The Group reported cash at bank and in hand of £3.5 million as at 30 September 2022. The Group also had undrawn facilities of £2.5 million at the balance sheet date.

Net cash generated from operating activities amounted to £3.6 million.

**Principal risks and uncertainties**

The Board has a policy of continuous identification and review of key business risks and oversees the development of processes to ensure that these risks are managed appropriately. Executive directors and the management team are delegated with the task of implementing these processes and reporting to the Board on their outcomes.

The key risks identified by the Board are summarised below:

**Business strategy and implementation:** If the Board adopts the wrong strategy or does not implement its strategies effectively the business may suffer. The Board needs to understand and properly manage strategic risk in order to deliver long term growth for shareholders. The Board reviews its strategy on a regular basis to determine how sales and profit budgets can be achieved or bettered and business operations made more efficient. This process involves the setting of annual budgets and longer term financial objectives to identify ways to increase shareholder value. Critical to these processes are the consideration of wider economic and industry specific trends that affect the business, the competitive position of its products and the financial structure of the Group.

**Credit risk:** The Group's principal financial assets are cash and trade debtors. The credit risk associated with cash balances is managed by the Group monitoring the financial position of the counterparties involved. In order to manage credit risk arising from trade debtors, the directors set limits for customers based on a combination of payment history and third-party credit references.

Credit limits, debt ageing and collection history are reviewed regularly by the credit controller.

**Management team:** The success of the Group relies on the continued service of its senior management and technical personnel and on its ability to continue to attract, motivate and retain highly qualified employees. The sector in which we operate is very competitive and the Group's staff are frequently targeted by other companies. The remuneration of senior personnel is reviewed annually and suitable packages are put in place to motivate and retain these employees.

**People:** Our team are essential to the success of our business; therefore, we are continuing to invest in their development and training, ensuring we retain the best talent.

**Product design and selection:** The success of the Group depends on providing high quality, engineered products that end users and installers can rely on. Success also depends upon the Company recognising customer preferences, market trends and new product and market opportunities. Executive directors and senior managers are continually reviewing our product offering and so far as possible making sure there is a well balanced product mix available currently and in development for future release. The risk is making sure that our product offering is in line with customer demand or that it creates new customer demand.

**Key suppliers and supply chain management:** The Group relies on its supplier base to deliver products on time and to the quality standards it specifies. Management continually seek ways to develop its supplier base to reduce overreliance on individual suppliers of products and to improve the competitiveness of its products. If input costs rise the Group will work with existing suppliers to mitigate the impact. New sources of supply are also continually reviewed and developed to counteract both overreliance and excessive price inflation.

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**IGUAZU MIDCO 1 LIMITED**


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**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**IT systems and business continuity:** The Group is dependent upon the availability and integrity of its IT systems. Systems require continuous enhancement and investment to prevent obsolescence and maintain responsiveness. Back up facilities and business continuity plans are in place and are tested regularly to ensure that business interruptions are minimised and data is protected from corruption or unauthorised access or use.

**Call centre capacity & service levels:** The Group offers industry leading customer service and response times. Insufficient manpower, failures and interruption of email and telephone systems to meet customer service levels are the main risks. Management continually monitor call centre operations to ensure there is sufficient capacity to handle call volumes and customer satisfaction is also measured on a regular basis.

**Financial key performance indicators**

	<b>Period ended 30 September 2022 Financial</b>
<b>Turnover</b>	£32.6m
<b>Gross profit percentage</b>	39.1%
<b>Earnings before interest, tax, depreciation, amortisation and impairment of non-financial assets ('EBITDA')</b>	£5.8m

EBITDA noted above reconciles to the attached financial statements as follows:

	<b>Period ended 30 September 2022 £m</b>
Operating loss	(3.0)
Add: Amortisation of intangible assets (see note 11)	8.5
Add: Depreciation of tangible assets (see note 12)	0.3
<b>EBITDA</b>	<b>5.8</b>

**Ongoing assessment of key performance indicators**

Following the change in ultimate controlling party of the trading entities, appropriate financial and non-financial key performance indicators are currently under review.

**Long-term decision-making**

The Board has a structured governance model, with scheduled Board meetings and clear documentation and authority levels to control its decision-making process. The model supports the Group in ensuring that decisions are considered, documented and reported upon, and in alignment with its strategic plans. Detailed budgets and reforecasts are prepared to enable the Board to track performance and take mitigating steps as appropriate. The Board and individual directors operate within this structure, with the aim of promoting the success of the Company and delivering long-term shareholder value.

**High standards of business conduct**

We have a Code of Conduct setting out the behaviours and values expected of all of our colleagues, which we communicate to all colleagues and third parties. We have processes to update our Board and management on the operation of our code and an independent whistleblowing service to enable employees to anonymously raise concerns. Through its oversight and monitoring role, the Board requires all of our people to work to the highest standards of business conduct. Our focus is to do what is right ahead of what is easy. This is supported through ongoing communication and awareness of, and training in, acceptable company conduct. Any reports of inappropriate behaviour are independently investigated, and action taken where necessary.

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**IGUAZU MIDCO 1 LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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The Board has engaged with, and been influenced by, the interests of our different stakeholders as follows:

**Stakeholder engagement**

**Employee engagement**

We consider that our employees act with the utmost integrity and professional expertise. In doing so, the Board considers that its employees are both rewarded fairly and incentivised to deliver the Group's strategy.

**How we engage with our employees**

The Board is kept informed on employee related matters at Board meetings at which it receives a standing agenda update from the Group's Head of People. For our senior people, feedback is regularly received from the work that our remuneration committee undertakes throughout the year. Employee surveys are undertaken regularly to monitor issues arising and these surveys form the basis of action plans. Consultation with employees happens when their views need to be considered in decisions the Group needs to make that will likely affect their interests. All employees are kept abreast of Group news and financial performance in regular business updates. There is also ongoing communication through the Group's Intranet, notice boards, newsletters and team briefings.

**Customers**

At board meetings, any customer feedback is provided to the Board in order to help identify customer needs. From a risk management perspective, credit checks are preferred before taking in new customers.

**Suppliers**

We have built good relationships with our suppliers. Our raw materials, components and stock items are all carefully specified, and our suppliers are evaluated in accordance with our guidelines on the environment, work environment, human rights, business ethics and quality. Other third parties that are of great importance to the Group include our professional advisers, bankers and our various regulators.

**How we get feedback**

The Board is kept fully informed about the Group's interactions with key third party relationships with the Group, be they suppliers or other key providers of services or regulatory oversight. The Board places the utmost importance on the integrity of our supplier agreements with a focus on the robustness of supply of goods and services. All third party suppliers are regularly scrutinised so as to ensure that there are no matters that could potentially harm our reputation or be financially damaging to us. All agreements with third parties are set out in writing with clearly documented terms and conditions that cover, amongst other things, levels of service, payment terms and working practices.

**Our community and the environment**

We actively encourage all of our employees to give back to community in whichever way they feel the most comfortable.

Our Board and our senior management colleagues are aware of the need to be cognisant of the effect that our operations and those who provide us with goods and services have on the economy. We seek to minimise our impact on the environment.

This report was approved by the Board on 30 January 2024 and signed on its behalf.

*Charles Elkington*

**C E N Elkington**  
Director

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**IGUAZU MIDCO 1 LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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The directors present their report and the financial statements for the period ended 30 September 2022.

**Principal activity**

Iguazu Midco 1 Limited ('Iguazu Midco' or 'the Company') was incorporated in England and Wales on 8 December 2021 and acquired the Temple Topco Limited group on 28 January 2022. The principal activity of the Company is that of a holding company.

**Dividends paid**

No dividends were paid or proposed by the Company during the period under review.

**Results**

The consolidated loss for the period, after taxation, amounted to £13,500,286.

**Directors**

The directors who served during the period were:

C E N Elkington (appointed 8 December 2021)  
Z C Yee Lai (appointed 8 December 2021)

**Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 and the Group 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 applicable UK Accounting Standards have been followed, 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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**IGUAZU MIDCO 1 LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**Future developments**

The Group is well positioned to continue to develop its high quality range of products for customers. The acquisition of AGM in July 2022 has enhanced this offering and expanded market opportunities. The Directors expect the Group and Company to continue with its operations for the foreseeable future. Further details are included within the Strategic Report.

**Financial instruments**

The financial risk management objectives and policies of the Group, including exposure to currency risk, credit risk, interest rate risk and liquidity risk are set out in note 2.22 to the financial statements.

**Employees**

The Group has a recruitment policy to ensure that all applications for employment, including those made by disabled persons, are given full and fair consideration in light of the applicants' aptitudes and abilities. There is also an equal opportunities policy to ensure that all employees are treated equally in terms of employment, training, career development and promotion. Where employees develop a disability during their employment, every effort is made to continue their employment and arrange for appropriate training as far as is reasonably practicable.

**Streamlined Energy and Carbon Reporting**

As a large Group, we are required to report under the Streamlined Energy and Carbon Reporting (SECR) regulations. Neither the Company or any of the Group's UK subsidiary undertakings individually meet the definition of a large company and therefore none of the Group's entities are obliged to report under the SECR regulations on their own account. We have elected not to include the energy and carbon performance of companies within the Group which do not themselves meet the threshold and as such we have nothing to report at a consolidated level.

**Directors' liability insurance**

Group maintains a policy for the benefit of all the directors.

**Going concern**

The directors have considered current and forecast market conditions, and the working capital requirements of the Group and Company. The directors are of the opinion that the Group and Company has adequate resources to continue its operations for the foreseeable future and therefore they continue to adopt the going concern basis in preparing these financial statements. In assessing the directors have considered a period of 12 months from approval of the financial statements and considered sensitivities on level of sales activity.

The directors believe that the wider group position and funding requirements are adequately supported by the Stuart Turner trading companies and that their budgets, forecasts and long term business plan appropriately support the going concern assumption. This is supported by the Group's current cash balances and that repayment on loan facilities are not due within the going concern assessment period.

**Post balance sheet events**

On 23 May 2023, the Group sold 100% of the share capital of its subsidiary undertaking, Engineering Safety Inspection Services Limited to BES Group Limited.

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**IGUAZU MIDCO 1 LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**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 and the Group'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 and the Group'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.

This report was approved by the board on 30 January 2024 and signed on its behalf.

*Charles Elkington*

**C E N Elkington**  
Director



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

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### Opinion

We have audited the financial statements of Iguazu Midco 1 Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 Group's and of the parent Company's affairs as at 30 September 2022 and of the Group's loss for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the parent 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 Group's and of the parent 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 Group and the parent Company to cease to continue as a going concern.

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



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

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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 Group's and of the parent 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.

**Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. 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 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 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.

**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 Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGUAZU MIDCO 1 LIMITED (CONTINUED)**

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### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



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

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### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and industry in which it operates through our general commercial and sector experience, discussions with management, inspection of the Company's inspection of the Company's board minutes. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and Companies Act 2006.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgments made by management in its significant accounting estimates;
  - Identifying and testing journal entries, in particular manual journal entries to revenue; and
  - Assessing the extent to compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- The assessment of appropriateness of the collective competence and capabilities of the engagement team including 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; and
  - Understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issues by relevant authorities that interprets those rules and the applicable statutory provision.



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

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- 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;
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

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

**Use of our report**

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

*Grant Thornton UK LLP*

Steven Cenci FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Reading

30 January 2024

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**IGUAZU MIDCO 1 LIMITED**


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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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	Note	2022 £
Turnover	4	32,562,229
Cost of sales		(19,833,284)
<b>Gross profit</b>		<b>12,728,945</b>
Distribution costs		(429,024)
Administrative expenses		(15,273,043)
<b>Operating loss</b>	5	<b>(2,973,122)</b>
Interest receivable and similar income	8	804
Interest payable and similar expenses	9	(10,905,112)
<b>Loss before taxation</b>		<b>(13,877,430)</b>
Tax on loss	10	377,144
<b>Loss for the financial period</b>		<b>(13,500,286)</b>

There were no recognised gains and losses for 2022 other than those included in the consolidated statement of comprehensive income.

The notes on pages 20 to 48 form part of these financial statements.



**IGUAZU MIDCO 1 LIMITED**  
**REGISTERED NUMBER:13789216**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2022**

	Note	2022 £
<b>Fixed assets</b>		
Intangible assets	11	118,011,013
Tangible fixed assets	12	4,770,426
		<u>122,781,439</u>
<b>Current assets</b>		
Stocks	14	7,644,827
Debtors: amounts falling due within one year	15	13,960,218
Cash at bank and in hand	16	3,522,788
		<u>25,127,833</u>
Creditors: amounts falling due within one year	17	(16,245,879)
<b>Net current assets</b>		<u>8,881,954</u>
<b>Total assets less current liabilities</b>		<u>131,663,393</u>
Creditors: amounts falling due after more than one year	18	(142,336,015)
<b>Provisions for liabilities</b>		
Deferred taxation	21	(1,894,897)
Other provisions	22	(932,767)
		<u>(2,827,664)</u>
<b>Net liabilities</b>		<u>(13,500,286)</u>
<b>Capital and reserves</b>		
Called up share capital	23	-
Profit and loss account	24	(13,500,286)
		<u>(13,500,286)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 January 2024.

*Charles Elkington*

**C E N Elkington**  
 Director

The notes on pages 20 to 48 form part of these financial statements.

**IGUAZU MIDCO 1 LIMITED**  
**REGISTERED NUMBER:13789216**

**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2022**

	Note	2022 £
<b>Non-current assets</b>		
Debtors: amounts falling due after more than one year	15	56,262,477
		<u>56,262,477</u>
Creditors: amounts falling due within one year	17	(8,000)
<b>Total assets less current liabilities</b>		<u>56,254,477</u>
Creditors: amounts falling due after more than one year	18	(56,209,618)
<b>Net assets</b>		<u><u>44,859</u></u>
<b>Capital and reserves</b>		
Called up share capital	23	-
Profit and loss account	24	44,859
		<u><u>44,859</u></u>

As permitted, the Company has elected not to present its own profit and loss account or Statement of Comprehensive Income for the period. The profit attributable to the Company is £44,859.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 January 2024.

*Charles Elkington*

**C E N Elkington**  
 Director

The notes on pages 20 to 48 form part of these financial statements.

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**IGUAZU MIDCO 1 LIMITED**


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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Equity attributable to owners of parent Company</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 8 December 2021	-	-	-	-
<b>Comprehensive income for the period</b>				
Loss for the period	-	(13,500,286)	(13,500,286)	(13,500,286)
<b>At 30 September 2022</b>	<u>-</u>	<u>(13,500,286)</u>	<u>(13,500,286)</u>	<u>(13,500,286)</u>

Share capital - see note 23.

The notes on pages 20 to 48 form part of these financial statements.

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**IGUAZU MIDCO 1 LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 8 December 2021	-	-	-
<b>Comprehensive income for the period</b>			
Profit for the period	-	<b>44,859</b>	<b>44,859</b>
<b>At 30 September 2022</b>	<b>-</b>	<b>44,859</b>	<b>44,859</b>

Share capital - see note 23.

The notes on pages 20 to 48 form part of these financial statements.

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**IGUAZU MIDCO 1 LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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	2022 £
<b>Cash flows from operating activities</b>	
Loss for the financial period	(13,500,286)
<b>Adjustments for:</b>	
Amortisation of intangible assets	8,459,356
Depreciation of tangible assets	279,341
Profit on disposal of tangible assets	(12,255)
Interest paid	10,905,112
Interest received	(804)
Taxation charge	(377,144)
Increase in stocks	(2,182,366)
Increase in debtors	(763,271)
Increase in creditors	1,126,551
Corporation tax paid	(343,535)
<b>Net cash generated from operating activities</b>	<b>3,590,699</b>
<b>Cash flows from investing activities</b>	
Purchase of intangible fixed assets	(317,836)
Purchase of tangible fixed assets	(201,272)
Sale of tangible fixed assets	67,109
Interest received	804
Acquisition of subsidiary undertakings - net of cash acquired	(133,811,790)
<b>Net cash from investing activities</b>	<b>(134,262,985)</b>

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**IGUAZU MIDCO 1 LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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	2022 £
<b>Cash flows from financing activities</b>	
New secured loans	87,500,000
New loan notes	10,000,000
Loan from parent company (Angel Topco)	43,018,000
Interest paid	(2,945,661)
HP capital repaid	(28,399)
Finance fees paid	(3,449,615)
<b>Net cash used in financing activities</b>	<u>134,094,325</u>
<b>Net increase in cash and cash equivalents</b>	<u>3,422,039</u>
<b>Cash and cash equivalents at the end of period</b>	<u><u>3,422,039</u></u>
<b>Cash and cash equivalents at the end of period comprise:</b>	
Cash at bank and in hand	3,522,788
Bank overdrafts	(100,749)
	<u><u>3,422,039</u></u>

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## IGUAZU MIDCO 1 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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#### 1. General information

Iguazu Midco 1 Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at C/O Stuart Turner Limited, 45-47 Market Place, Henley-On-Thames, Oxfordshire, RG9 2AD, United Kingdom.

#### 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### 2.3 Going concern

The directors have considered current and forecast market conditions, and the working capital requirements of the Group and Company. The directors are of the opinion that the Group and Company has adequate resources to continue its operations for the foreseeable future and therefore they continue to adopt the going concern basis in preparing these financial statements. In assessing the directors have considered a period of 12 months from approval of the financial statements and considered sensitivities on level of sales activity.

The directors believe that the wider group position and funding requirements are adequately supported by the Stuart Turner trading companies and that their budgets, forecasts and long term business plan appropriately support the going concern assumption. This is supported by the Group's current cash balances and that repayment on loan facilities are not due within the going concern assessment period.

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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.6 Interest income**

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



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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**2. Accounting policies (continued)**

**2.7 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.

**2.8 Borrowing costs**

Loans are assessed to see whether they are basic or non-basic in accordance with FRS 102. For loans that are classified as basic debt, issuance costs are capitalized and amortized over the period of the debt. Loans that are classified as non-basic are fully expensed as incurred.

**2.9 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**2. Accounting policies (continued)**

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

IP rights	-	Over 5 - 10 years on a straight line basis
Brand	-	Over 10 - 15 years on a straight line basis
Development expenditure	-	Over 4 - 10 years on a straight line basis
Goodwill	-	Over 10 years on a straight line basis

**2.11 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**2. Accounting policies (continued)**

**2.11 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 0%
Short-term leasehold property	- 10% - 25% per annum on a straight line basis
Plant and machinery (including tooling and testing equipment)	- 8% - 25% per annum on a straight line basis
Motor vehicles	- 25% per annum on a straight line basis or 33% reducing depending on age
Office equipment	- 20% per annum on a straight line basis
Fixtures and fittings	- 10% - 25% per annum on a straight line basis
Assets in course of construction	- 0%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.13 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.14 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.

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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**2. Accounting policies (continued)**

**2.15 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.16 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.

**2.17 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.18 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**2. Accounting policies (continued)**

**2.19 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.20 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

**2.21 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.22 Financial instruments**

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Balance Sheet when the Group 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.

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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**2. Accounting policies (continued)**

**2.22 Financial instruments (continued)**

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**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 Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**2. Accounting policies (continued)**

**2.22 Financial instruments (continued)**

**Other financial instruments**

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

**Derecognition of financial instruments**

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**2. Accounting policies (continued)**

**2.23 Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of completion) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill (see note 11).

Contingent consideration is included in the cost of the combination at the acquisition date if additional payment(s) is(are) probable and can be measured reliably. The liability is measured at the present value of the estimated future payment(s), using a discount rate reflecting conditions at the acquisition date. If the additional payment becomes probable and/or reliably measurable only after the acquisition date it is recognised as an adjustment to the cost of the combination and goodwill at that time. Similarly, if estimated future payments are revised, for example due to the non-occurrence of future events that had been expected to occur, the resulting adjustment is recorded against goodwill. However, changes resulting from the unwinding of the discount are recognised in profit or loss.

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

The following critical judgements made by management in applying the Group's accounting policies have the most significant impact on the amounts recognised in the financial statements.

**Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

*Impairment of inventory*

When calculating the inventory impairment provision, management considers the nature and condition of the inventory as well as applying assumptions about the future usage of raw materials and components. The impairment provision is included within the amounts in note 15 to the financial statements.

*Impairment of debtors*

The Group makes an estimate of the recoverable value of trade receivables. When assessing impairment, management considers factors including the current credit rating of the customer, the ageing profile of the receivable and historical experience. The impairment provision is included within the amounts in note 16 to the financial statements.



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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**3. Judgements in applying accounting policies (continued)**

*Warranty provision*

The Group makes an estimate of the goods which may give rise to a warranty claim. When assessing the warranty provision management considers the historical evidence and potential future claims and amends the provision accordingly.

*Rebate accruals*

The Group has certain agreements with customers which provide for rebates to be payable by the Company. The Directors estimate the total rebate payable based on sales to customers, and accrue for this as it arises.

*Useful life of goodwill & other intangible assets*

The fair value of intangible assets acquired on the acquisition of subsidiaries and subsequent hive up transactions involved the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. The estimation of the fair values requires the combination of assumptions including the use of discount rates and estimations of the appropriate useful economic life of the separate intangibles.

*Identification and valuation of intangibles on acquisition*

The cost of intangible assets was recognised separately from goodwill, as the fair value was measured reliably at the date of acquisition. The acquired intangible assets were recognised at their initial fair value less accumulated amortisation and impairment losses. Amortisation was provided to write off the fair value at the date of acquisition over the asset's estimated useful life, on a straight-line basis.

These useful lives are detailed within the accounting policies.

The Group continually monitors this policy and the performance of the assets acquired including ongoing trading performance, and will amend the estimate of the useful lives should it be required and conduct impairment reviews where indicators of impairment are identified.

*Classification of debt financial instrument*

The directors apply judgements in determining whether the term loans and preference shares classified as debt are basic or non basic instruments.

The bank loan facility is linked to a variable interest rate however variability of the interest rate is also possible through other targets. The preference shares and management loan notes also contain very bad leaver clauses which could vary the interest rate due.

Based on these characteristics, management have classified this facilities as non-basic financial instruments measuring at fair value through profit or loss.

**4. Turnover**

The whole of the turnover is attributable to the sole principal activity of the Group.

No disclosure of revenue by geographical destination has been disclosed as in the opinion of the Directors this would be seriously prejudicial to the interests of the Group.

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**5. Operating loss**

The operating loss is stated after charging/(crediting):

	2022 £
Amortisation of intangible fixed assets and goodwill	8,459,356
Depreciation of tangible fixed assets	279,341
Profit on disposal of tangible fixed assets	(12,225)
Exchange gains	(146,066)
Operating lease charges	175,139
	<u>                    </u>

**6. Auditor's remuneration**

During the period, the Group obtained the following services from the Company's auditor:

	2022 £
Fees payable to the Company's auditor for the audit of the consolidated and parent Company's financial statements	360,250
	<u>                    </u>
Accounts preparation	39,330
Tax compliance services	60,350
	<u>                    </u>

**7. Employees**

Staff costs were as follows:

	Group 2022 £	Company 2022 £
Wages and salaries	4,109,666	-
Social security costs	447,717	-
Cost of defined contribution scheme	201,171	-
	<u>4,758,554</u>	<u>-</u>

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**7. Employees (continued)**

The average monthly number of employees for the Group, including the directors, during the period was as follows:

	Group 2022 £	Company 2022 £
Production	69	-
Admin & Sales	175	-
	<u>244</u>	<u>-</u>

The directors did not receive any remuneration from the Group.

**8. Interest receivable**

	2022 £
Other interest receivable	<u>804</u>

**9. Interest payable and similar expenses**

	2022 £
Bank interest payable	4,185,868
Other loan interest payable	688,719
Other loans arrangement fees amortisation	69,475
Debt facility charges	2,998,028
Loans from group undertakings	2,963,022
	<u>10,905,112</u>

Only bank interest payable is required to be settled in cash. See note 19 for further information.

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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**10. Taxation**

	2022 £
<b>Corporation tax</b>	
Current tax charge on loss for the period	769,275
	<u>769,275</u>
<b>Total current tax</b>	<u>769,275</u>
<b>Deferred tax</b>	
Origination and reversal of timing differences	(1,146,419)
<b>Total deferred tax credit</b>	<u>(1,146,419)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(377,144)</u>

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**10. Taxation (continued)****Factors affecting tax credit for the period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	<b>2022</b> <b>£</b>
Loss on ordinary activities before tax	<b>(13,877,430)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	<b>(2,636,712)</b>
<b>Effects of:</b>	
Non-tax deductible amortisation of goodwill and impairment	<b>1,520,941</b>
Fixed asset differences	<b>(328,100)</b>
R&D credit recognition	<b>(57,206)</b>
Loan relationship debits disallowable - non-trade	<b>468,345</b>
Expenses not deductible (other than goodwill amortisation) for tax purposes	<b>220,566</b>
Other tax adjustments, reliefs and transfers	<b>17,245</b>
Income not taxable for tax purposes	<b>(7,000)</b>
Chargeable gains	<b>21,503</b>
Adjustment to closing deferred tax balances to use average tax rate for the period of 19%	<b>(158,180)</b>
Group relief	<b>561,454</b>
<b>Total tax credit for the period</b>	<b>(377,144)</b>

**Factors that may affect future tax charges**

The UK Government increased the standard corporation tax rate from 19% to 25% with effect from April 2023 and therefore this 25% rate has been used to calculate the deferred tax balances at 30 September 2022.

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**11. Intangible assets****Group**

	Development expenditure £	IP rights £	Brand £	Goodwill £	Total £
<b>Cost</b>					
Assets acquired on acquisition of subsidiaries	1,425,831	13,501,500	5,978,700	105,246,503	126,152,534
Additions - internally developed	317,835	-	-	-	317,835
At 30 September 2022	1,743,666	13,501,500	5,978,700	105,246,503	126,470,369
<b>Amortisation</b>					
Charge for the period	201,701	1,220,025	253,673	6,783,957	8,459,356
At 30 September 2022	201,701	1,220,025	253,673	6,783,957	8,459,356
<b>Net book value</b>					
At 30 September 2022	1,541,965	12,281,475	5,725,027	98,462,546	118,011,013

The Company had no intangible fixed assets at 30 September 2022.

On 28 January 2022, Victoria Bidco Limited acquired Temple Topco Limited, and its subsidiaries for a total consideration of £135,582,970 including acquisition costs (see note 26 for further details).

On 29 July 2022, the Company's subsidiary, Stuart Turner Limited, acquired Aquatronic Group Management Limited and its subsidiaries, Engineering Safety Inspection Services Limited and AGM Facilities Limited for a total consideration of £17,716,424 including acquisition costs (see note 26 for further details).

Goodwill arising on the acquisition of Temple Topco Limited is being amortised over 10 years (120 months), of which 112 months are remaining.

Goodwill arising on the acquisition of Aquatronic Group Management Limited is being amortised over 10 years (120 months), of which 118 months are remaining.

## IGUAZU MIDCO 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

## 12. Tangible fixed assets

## Group

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Tooling and testing equipment £	Motor vehicles £	Office equipment £	Fixtures and fittings £	Assets in course of construction £	Total £
<b>Cost</b>									
Assets acquired on acquisition of subsidiaries	3,015,000	110,246	447,094	285,020	787,775	155,104	51,784	51,326	4,903,349
Additions	-	7,588	34,892	1,343	110,923	-	-	46,526	201,272
Disposals	-	-	(34,647)	-	(89,389)	(58,220)	(40,341)	-	(222,597)
At 30 September 2022	3,015,000	117,834	447,339	286,363	809,309	96,884	11,443	97,852	4,882,024
<b>Depreciation</b>									
Charge for the period	13,024	13,477	89,320	23,925	116,152	15,552	7,891	-	279,341
Disposals	-	-	(30,097)	-	(45,140)	(52,165)	(40,341)	-	(167,743)
At 30 September 2022	13,024	13,477	59,223	23,925	71,012	(36,613)	(32,450)	-	111,598
<b>Net book value</b>									
At 30 September 2022	3,001,976	104,357	388,116	262,438	738,297	133,497	43,893	97,852	4,770,426

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**12. Tangible fixed assets (continued)**

The Company had no tangible fixed assets at 30 September 2022.

The net carrying value of tangible fixed assets includes the following in respect of assets held under hire purchase agreements:

	<b>2022</b>
	<b>£</b>
Motor vehicles	<b>371,442</b>

As part of the fair value adjustments made in respect of the acquisition of Aquatronic Group Management Limited, a freehold property was revalued. The directors' judgement is that there is not a material change in value from the acquisition date of 29 July 2022. This valuation is based on review by Piers Collacott MRICS of Gateley Harner Limited.

**13. Fixed asset investments****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Niagara Midco 2 Limited	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%
Victoria Bidco Limited	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%
Temple Topco Limited	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%
Temple Midco Limited*	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%
Temple Bidco Limited**	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%
Stuart Turner Limited***	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%



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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**13. Fixed asset investments (continued)****Subsidiary undertakings (continued)**

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Fluid Water Solutions Limited****	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%
Aquatronic Group Management Limited****	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%
Engineering Safety Inspection Services Limited****	British Engineering Services Unit 718 Eddington Way, Birchwood, Warrington, United Kingdom, WA3 6BA	Ordinary	100%
AGM Facilities Limited****	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%
Mikrofill 2000 Limited****	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%
Mikrofill Systems Limited****	C/O Stuart Turner Limited, Market Place, Henley-On-Thames, England, RG9 2AD	Ordinary	100%

\*Held indirectly through Temple Topco Limited

\*\*Held indirectly through Temple Midco Limited

\*\*\*Held indirectly through Temple Bidco Limited

\*\*\*\*Held indirectly through Stuart Turner Limited

Companies (with the exception of Stuart Turner Limited) that are entitled to, have taken advantage of the exemption from audit available under Section 479A of the Companies Act 2006 relating to subsidiary companies. In order for the subsidiary to claim exemption, the parent Company must guarantee all outstanding liabilities that the subsidiary is subject to at the year end under S479A. Accordingly, Iguazu Midco 1 Limited guaranteed all outstanding liabilities that these companies were subject to as at 30 September 2022.

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**14. Stocks**

	Group 2022 £	Company 2022 £
Raw materials and consumables	3,833,896	-
Work in progress (goods to be sold)	272,054	-
Finished goods and goods for resale	3,538,877	-
	<u>7,644,827</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**15. Debtors**

	Group 2022 £	Company 2022 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	-	56,090,931
Deferred tax asset	-	171,546
	<u>-</u>	<u>56,262,477</u>
<b>Due within one year</b>		
Trade debtors	12,884,361	-
Other debtors	312,686	-
Prepayments and accrued income	763,171	-
	<u>13,960,218</u>	<u>-</u>

Amounts owed by group undertakings are repayable in 2032 and bear interest at a market rate of 10%. There is no difference between the book value and the fair value of amounts owed by group undertakings.

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**16. Cash and cash equivalents**

	Group 2022 £	Company 2022 £
Cash at bank and in hand	3,522,788	-
Less: bank overdrafts	(100,749)	-
	<u>3,422,039</u>	<u>-</u>

**17. Creditors: Amounts falling due within one year**

	Group 2022 £	Company 2022 £
Bank overdrafts	100,749	-
Bank loans	1,500,000	-
Trade creditors	7,103,571	-
Corporation tax	979,878	-
Other taxation and social security	1,152,757	-
Obligations under finance lease and hire purchase contracts	161,048	-
Other creditors	231,615	-
Accruals and deferred income	5,016,261	8,000
	<u>16,245,879</u>	<u>8,000</u>

Included within accruals is remaining amounts owing of £521,212 in respect of the acquisition in the period of Aquatronic Group Management Limited, which was paid in October 2022.

**18. Creditors: Amounts falling due after more than one year**

	Group 2022 £	Company 2022 £
Bank loans	86,000,000	-
Loan notes	10,234,596	10,234,596
Net obligations under finance leases and hire purchase contracts	126,397	-
Loan from parent company	45,975,022	45,975,022
	<u>142,336,015</u>	<u>56,209,618</u>

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**19. Loans**

Analysis of the maturity of loans is given below:

	Group 2022 £	Company 2022 £
<b>Amounts falling due within one year</b>		
Bank loans	1,500,000	-
<b>Amounts falling due after more than 5 years</b>		
Bank loans	86,000,000	-
Loan notes	10,234,596	10,234,596
Loan from parent company	45,975,022	45,975,022
	<u>143,709,618</u>	<u>56,209,618</u>

Loan notes comprise £10,000,000 in respect of unsecured Loan Notes of £1 issued by Iguazu Midco 1 Limited on 28 January 2022, together with £686,183 of accrued interest thereon up to 30 September 2022. Debt issue costs of £521,062 were capitalised and offset against the gross Loan Note liability, with £69,475 off these fees amortised in the period

Of the £10,000,000 Loan Notes issued on 28 January 2022, £9,273,605 were issued as Unsecured Investor Loan Notes to various investment funds operated by the Group's private equity investor, Epiris, with the balance of £726,395 issued as Unsecured Management Loan Notes to senior members of the Group's management team.

Interest is calculated quarterly. At Iguazu Midco 1 Limited's option, interest can be paid, or rolled up and settled by the issue of PIK Loan Notes, which carry the same terms as the Loan Notes issued on 28 January 2022, or accrued.

The Loan Notes accrue interest at a rate of 10 per cent per annum and are repayable in full by January 2032. In certain circumstances, for an Unsecured Management Loan Note holder who was an employee or officer but leaves the Group, the annual interest rate can be reduced to 3 per cent. Interest is not expected to be cash paid until all bank loans have been repaid in full.

The Loan Notes and unpaid accrued interest are repayable in full by January 2032, or if earlier, on an exit event such as an IPO or sale of the Group.

The bank loans are classified as non basic financial instruments as a result of a number of features in the Bank Facilities Agreement having an impact or potential impact on the interest rate through its life.

Due to the proximity of the loan start date and the period end and the minimal impact of the potential changes to the interest rate the Fair Value and the book value are not considered to be materially different at 30 September 2022.

The Term Loan Maturity date is 7 years from initial utilisation being January 2029 and paid in full on that date. No installment payments are required until term maturity. Interest accrues daily on amounts outstanding.

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**19. Loans (continued)**

Interest rate percentages are governed by a number of variable aspects. In its simplest form this represents a base rate plus an applicable margin. The loans are incurring interest at a rate of 6.5% above SONIA.

The loans carry a fixed and floating charge over all the assets of the Group.

Bank loans and other debt are repayable as follows:

	Bank loans (including RCF debt) £	Loan notes £	Loan from parent company £
Within one year	1,500,000	-	-
More than five years	86,000,000	10,234,596	45,975,022
	<u>87,500,000</u>	<u>10,234,596</u>	<u>45,975,022</u>

The loan from parent company is repayable in 2032 and carries interest at 10% per annum.

**20. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £
Within one year	161,048
Between 1-5 years	42,221
Over 5 years	84,176
	<u>287,445</u>

**21. Deferred taxation****Group**

	2022 £
Assets acquired on the acquisition of subsidiaries	(3,041,316)
Charged to profit or loss	1,146,419
<b>At end of period</b>	<u><u>(1,894,897)</u></u>

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**21. Deferred taxation (continued)****Company**

**2022**  
**£**

Charged to profit or loss

171,546

At end of period

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171,546

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	<b>Group 2022 £</b>	<b>Company 2022 £</b>
Short term timing differences	3,116,984	171,546
Fixed asset timing differences	(510,255)	-
Intangible assets - deferred tax on separately identifiable intangible assets acquired on acquisition of subsidiaries	(4,501,626)	-
	<hr/> (1,894,897) <hr/>	<hr/> 171,546 <hr/>

**22. Provisions****Group**

**Other  
provisions  
£**

At 8 December 2021

-

Charged to profit or loss

300,000

Provision on acquisition of Temple Topco Group

632,767

At 30 September 2022

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932,767

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**23. Share capital**

	2022 £
<b>Shares classified as equity</b>	
<b>Allotted, called up and fully paid</b>	
1 ordinary share of £0.01	-

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1 ordinary £0.01 shares was issued on incorporation on 8 December 2021 and remained the only share in issue at 30 September 2022.

**24. Reserves****Profit and loss account**

Includes all current period retained profits and losses.

**25. Analysis of net debt**

	Cash flows £	Non-cash flows £	New loans £	Acquired with acquisitions £	At 30 September 2022 £
Cash at bank and in hand	(15,964,814)	-	-	19,487,603	3,522,789
Bank overdrafts	(100,749)	-	-	-	(100,749)
Borrowings excluding overdrafts	3,449,615	(6,570,822)	(94,613,389)	-	(97,734,596)
Loan from parent company	-	-	(43,018,000)	-	(43,018,000)
Obligations under finance leases	28,399	-	-	(315,844)	(287,445)
	<u>(12,587,549)</u>	<u>(6,570,822)</u>	<u>(137,631,389)</u>	<u>19,171,759</u>	<u>(137,618,001)</u>

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**26. Business combinations**

On 28 January 2022, Iguazu Midco's subsidiary, Victoria Bidco Limited, acquired 100% of the issued share capital of Temple Topco and its subsidiaries.

**Acquisition of Temple Topco Limited****Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £	Fair value adjustments £	Fair value £
<b>Fixed Assets</b>			
Intangible	1,425,832	18,325,000	19,750,832
Tangible	2,154,049	-	2,154,049
	<u>3,579,881</u>	<u>18,325,000</u>	<u>21,904,881</u>
<b>Current Assets</b>			
Stocks	4,274,334	-	4,274,334
Debtors	11,094,318	-	11,094,318
Cash at bank and in hand	10,142,326	-	10,142,326
	<u>29,090,859</u>	<u>18,325,000</u>	<u>47,415,859</u>
<b>Total Assets</b>			
<b>Creditors</b>			
Due within one year	(9,208,451)	-	(9,208,451)
Due after more than one year	-	-	-
Deferred taxation	1,950,528	(4,581,250)	(2,630,722)
Other provisions	(632,767)	-	(632,767)
	<u>21,200,169</u>	<u>13,743,750</u>	<u>34,943,919</u>
<b>Total identifiable net assets</b>			
Goodwill			100,639,051
<b>Total purchase consideration</b>			<u>135,582,970</u>
<b>Consideration</b>			
			£
Purchase consideration			132,822,299
Deal costs			2,760,671
<b>Total purchase consideration</b>			<u>135,582,970</u>

In the period since 28 January 2022, the acquisition contributed £30.1 million of turnover and generated a loss before tax of £3.7 million.



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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**26. Business combinations (continued)**

On 29 July 2022, the Company's subsidiary, Stuart Turner Limited, acquired Aquatronic Group Management Limited and its subsidiaries, Engineering Safety Inspection Services Limited and AGM Facilities Limited for a total consideration of £17,716,424 including acquisition costs.

**Acquisition of Aquatronic Group Management Limited group****Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £	Fair value adjustments £	Fair value £
<b>Fixed Assets</b>			
Intangible	-	1,155,200	1,155,200
Tangible	2,586,556	162,743	2,749,299
	<u>2,586,556</u>	<u>1,317,943</u>	<u>3,904,499</u>
<b>Current Assets</b>			
Stocks	1,188,128	-	1,188,128
Debtors	2,181,735	-	2,181,735
Cash at bank and in hand	9,345,277	-	9,345,277
	<u>15,301,696</u>	<u>1,317,943</u>	<u>16,619,639</u>
<b>Total Assets</b>			
<b>Creditors</b>			
Due within one year	(2,784,229)	-	(2,784,229)
Due after more than one year	(315,844)	-	(315,844)
Deferred taxation	(121,794)	(288,800)	(410,594)
	<u>12,079,829</u>	<u>1,029,143</u>	<u>13,108,972</u>
<b>Total Identifiable net assets</b>			
Goodwill			4,607,452
<b>Total purchase consideration</b>			<u>17,716,424</u>
<b>Consideration</b>			
			£
Purchase consideration			17,059,116
Deal costs			657,308
<b>Total purchase consideration</b>			<u>17,716,424</u>

In the period since 29 July 2022, the acquisition contributed £2.5 million of turnover and generated a profit before tax of £0.3 million.

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**IGUAZU MIDCO 1 LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**


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**27. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £201,171. Contributions totalling £45,704 were payable to the fund at the balance sheet date and are included in creditors.

**28. Commitments under operating leases**

At 30 September 2022 the Group had future minimum lease payments due under non-cancellable operating leases:

	Group 2022 £	Company 2022 £
Not later than 1 year	311,652	-
Later than 1 year and not later than 5 years	857,043	-
Later than 5 years	-	-
	<u>1,168,695</u>	<u>-</u>

**29. Related party transactions**

The Company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' from the requirement to disclose transactions with wholly owned group companies.

During the period, monitoring fees of £100,000 were charged by Epiris LLP to the Group.

Amounts due to related parties, include Loan Notes further details of which are provided in note 19. As at 30 September 2022, £9,273,605 of Loan Notes were held by entities controlled by Epiris, the Group's ultimate controlling party, upon which accrued interest totalled £636,339.

Key management personnel includes all directors and members of senior management who have authority and responsibility for planning, directing and controlling the activities of the Group. There was £350,251 compensation paid to management personnel for services provided to the Group.

**30. Post balance sheet events**

On 23 May 2023, the Group sold 100% of the share capital of its subsidiary undertaking, Engineering Safety Inspection Services Limited to BES Group Limited.

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**IGUAZU MIDCO 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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**31. Controlling party**

The Company's parent company is Angel Topco Limited, a company registered in Jersey (Reg No 140313) which has its registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey JE4 0QH.

The ultimate controlling party is Epiris GP Limited (Reg No 122884) which has its registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey JE4 0QH. Epiris GP Limited is the ultimate parent undertaking as general partner of Epiris Fund II LP (Reg No 2376), Epiris Fund II (B) LP (Reg No 2420), Epiris Fund II FFP LP (Reg No 2467) and Epiris TC LP (Reg No 2558) each of whom has their registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey JE4 0QH.