

Company Registration No. 04352396 (England and Wales)

**FIRSTPORT LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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# FIRSTPORT LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	O Saleh N Howell
<b>Secretary</b>	FirstPort Secretarial Limited
<b>Company number</b>	04352396
<b>Registered office</b>	Queensway House 11 Queensway New Milton Hampshire United Kingdom BH25 5NR
<b>Bankers</b>	NatWest Group 156 High Street Southampton Hampshire SO14 2NP

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# FIRSTPORT LIMITED

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# FIRSTPORT LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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FirstPort (the "Group") of which FirstPort Limited (the "Company") is a substantial part, is one of the UK's largest residential property services business, with over 40 years' experience and a large satisfied customer base.

#### **Business Review**

FirstPort Limited acts as a shared service centre for the FirstPort division, providing back office functions such as IT, finance and HR services. The Company recharges a proportion of its costs back to the FirstPort companies that benefit from these services.

FirstPort has developed an efficient and scalable cost base. As part of the service turnaround, the Company has reduced its costs whilst investing in value added activity. Investment in people skills, process design, and technology has led to a highly efficient and scalable cost base that places FirstPort in a strong position to convert revenue growth into future EBITDA growth and improve EBITDA margins.

FirstPort's response to COVID-19 has proven the business to be both steadfast and adaptable. The business adapted its approach rapidly to make sure it could still deliver services to customers and clients in a safe and compliant way. An executive response group has been in place and meeting frequently since early March 2020 to manage the business' response to COVID-19. This group continues to meet weekly to ensure any adaptations to the business' approach in response to the changing situation and Government advice can be discussed, agreed, and implemented at pace.

FirstPort has continued to grow in 2020, making two strategic acquisitions that further strengthens its position as sector leader. On 15 September 2020, FirstPort acquired 100% of the share capital of the Mainstay Group and on 2 December 2020, 100% of the share capital of the Chamonix Group. The combined acquisitions added approximately 92,000 homes to the Group, and we aim to ensure that their residents benefit from the combined skills that will be nurtured together to deliver their service.

Our purpose, vision and operating model for FirstPort are presented as follows:

#### ***Our purpose***

FirstPort's primary objective is to ensure that residents living in developments it manages, are safe and well-served within the legislative regime. Our 3,800 employees help us achieve our objectives daily, caring for the places our customers call home. They do their utmost to ensure that buildings where our residents live and share with their neighbours, are safe, clean, and comfortable. Customers don't have to worry about finding the right supplier, getting the best deal, working out how to split the bill with their neighbours, or making sure there's enough money in their development's bank account to pay for everything – FirstPort manages all of that so our customers can get on with enjoying their homes and communities.

For our investor clients, our approach is centered around supporting their residents and the assets they own. We provide regular updates through our reporting tools to ensure investors have accurate and up to date information to make the decisions they need. Whether we are managing a customer's home or a clients' asset, we seek to nurture strong relationships with all stakeholders to aid understanding and support their needs.

#### ***Our vision***

Our vision is to be the nation's favourite residential property manager. We are working hard to reach this, setting high standards in our industry, doing business ethically and responsibly, and delivering services to customers and clients to help make home ownership in communal developments a positive experience.

#### ***Our operating model***

Since the acquisition of Mainstay in September 2020, FirstPort's business is structured into two main operating divisions that are independent from each other with their own leadership team, brand, and policies – residential services, and commercial and asset management.

# FIRSTPORT LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The residential services division is delivered under the FirstPort brand (Business to Consumer) and consists of six operational areas of focus that each care for their specific residential customer in its own unique way with its own dedicated team to deliver a high quality service for that segment. The operational areas are; Luxury, Large and Complex, Property Services, Estates, Build To Rent delivery, and Retirement.

The commercial and asset management division is delivered under the Mainstay brand (Business to Business), acts independently and provides confidence to our client base that their assets are in safe hands. Under this division a range of services are provided which include commercial facilities management, residential asset management and residential market services (ground rent collections, build-to-rent operations, lettings, and sales).

Both divisions are supported by centralised professional in-house teams that provide their expertise across a wide range of areas to ensure that customers and clients receive the exceptional service required.

## Financial Review

### Financial highlights for the Company

	2020	2019
Turnover (£'000)	25,775	26,107
EBITDA* (£'000)	1,814	203
Cash at bank and in hand (£'000)	882	(678)
Net assets (£'000)	23,370	31,051

\*EBITDA is defined as profit before interest, tax, depreciation, amortisation and excludes one off exceptional items, losses on disposals of fixed assets and share-based payments.

### Financial performance

Revenue for the year has decreased to £25.8m (2019: £26.1m). After total administrative expenses of £26.6m (2019: £28.3m) and exceptional items, the Company showed an operating loss of £2.9m (2019: £4.4m). Exceptional costs in the year were £2.5m (2019: costs of £2.2m) which mainly relate to transactional costs in relation to acquisitions in the year and restructuring costs incurred as a result of restructuring the Group due to COVID-19 and the Mainstay acquisition. In 2019, exceptional costs related to transactional costs primarily in relation to one-off costs incurred from the change in the investor base.

### Financial position

The Company had a net asset position of £23.4m (2019: net asset position of £31.1m). The main driver for the decrease being an increase in external borrowings and amounts due to fellow group undertakings partially offset by an increase in investments. During the year, the Company acquired 100% of the share capital of the Mainstay Group and 100% of the share capital of the Chamonix Group.

### Future developments

Despite the challenges presented by COVID-19, FirstPort has remained resilient with stable cash generation, continued organic and acquisitive growth, and on-going improvements to customer sentiment and brand reputation.

FirstPort is well positioned to achieve continued growth, with a strong order book, pipeline, continually growing industry network, increasing brand recognition, and improved reputation. The Board are committed to transforming its technology and processes, and to empowering its people to deliver a truly market-leading service.

FirstPort is in a strong position to successfully meet evolving customer expectations, client demands, differentiate itself over competitors, and meet any future regulatory expectations for managing agents.

# **FIRSTPORT LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Corporate Social Responsibility**

The Group recognises the importance of the way in which its portfolio companies operate and understands that our business operations must be carried out with consideration for the safety and well-being of our people, customers, business partners and the local communities in which they exist and with whom they interact.

#### **Health and Safety**

The Group takes its obligations for safety at its office, operational, and development sites very seriously, along with the risks to staff travelling between locations. These obligations extend to staff, residents, visitors, contractors, and members of the public. The risk is mitigated by having a robust health and safety culture with a safety risk register, actions to eliminate or mitigate risks where possible, and monitoring and reporting of accidents and near misses.

We are committed to ensuring staff, customers, members of the public, and anyone who interacts with the Group remain safe and well. Safe working practices are a constant focus for all our teams and we invest in safety training.

Although the pace and impact of the Covid-19 is impossible to predict with accuracy, we recognise we look after 290,000 homes nationwide. FirstPort are and will be working hard to take real care of homes and our customers.

#### **Employees**

We recognise that our people play a leading role in our service delivery and are central to how our brand is experienced in homes and in society. In 2020, we had the privilege of welcoming new colleagues from Mainstay and Chamonix, taking us to over 3,800 employees by the end of the year. While our people cover a wide range of skills and disciplines, they are united in their professionalism and dedication to doing the right thing for their customers.

Our commitment to our employees has again been recognised by the Top Employers Institute. Following a rigorous assessment in late 2020, FirstPort has been named one of the UK's 2021 Top Employers – a prestigious certification which we have now achieved for the third consecutive year. This accreditation, alongside our 4.2 out of 5 rating on employee review site, Glassdoor, sets FirstPort apart from our competitors as a true industry leader.

We operate a robust and active equal opportunity policy, and pride ourselves on our diverse workforce. Our employees successfully bring together different competencies, skills and specialisms, educational backgrounds, ethnicity, religious beliefs, and physical abilities, and we judge performance without prejudice or discrimination. All colleagues are welcomed and supported in our inclusive culture. Our policy enables and supports the recruitment of disabled workers. We provide assistance needed with initial training and we adapt the workplace as appropriate.

As a business, we consult and discuss with employees, both individually and collectively, about any matters likely to impact their interests. We value open communication, with important information and updates shared with employees through regular news bulletins, as well as monthly CEO and executive updates, to ensure all our employees are aware of any factors affecting our business.

We understand the importance of wellbeing, and that this has been more important than ever in such an unprecedented year. Our employees' mental health and wellbeing are supported through our Employee Assistance Programme, as well as colleagues trained as Mental Health First Aiders. During COVID-19, regular communications and additional support have been provided to employees across the business, from sharing information on available mental health resources to tips for home-schooling parents.

# **FIRSTPORT LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

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

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We place great importance on making sure our employees are trained and develop their potential. Our management process helps to regularly identify any additional training that may be required to help employees pursue and remain competent for their roles. Our e-learning platform includes training modules designed to make sure we all act in a lawful and compliant way while conducting day to day duties; this includes data privacy, anti-bribery and anti-money laundering, modern slavery and health and safety legislation. For high risk topics, employees are required to complete this training annually. To support employee growth online training modules also cover a range of development topics, from becoming a great leader through to how to mentor and coach others.

Our investment in our people has continued, despite the challenges presented by 2020, and e-learning has become even more important than ever with our leading on-boarding programme adapted for our online learning environment. Our well-established mentor/mentee programme has continued, giving employees new opportunities to develop, learn new skills and progress their careers at FirstPort. We also continued to support our employees to pursue relevant professional qualifications, particularly with the Institute of Residential Property Management (IRPM).

We welcomed the fifth annual intake of our successful graduate scheme in September 2020, giving seven graduates the opportunity to become residential property managers at the end of their 12-month programme. Each graduate is given an executive mentor, providing invaluable senior support and guidance as they embark on their careers. Despite COVID-19, we were proud to welcome a similar size graduate cohort to normal and while the scheme had to be adapted to facilitate increased home working, the graduates are still performing well in their placements.

#### **Ethical standards and principles**

Ethics and transparency are integral to how we do business, and the cornerstones of our corporate principles. We have strong corporate policies and safeguards in place, and a track record of abiding by and promoting high ethical standards. All our employees are responsible for adhering to our business practices, which follow both the letter and the spirit of the law, as well as our Code of Conduct that reflects the highest standards of corporate and individual behaviour.

#### **Environmental and social responsibility**

We have a responsibility to positively affect the quality of life of our employees, their families and the wider communities in which we operate. We continue to support and encourage everyone who is involved with both local and national charities and welfare initiatives.

We recognise and take seriously our responsibility to positively impact the quality of life of our employees, their families, and the wider communities in which we operate. Following an employee vote in 2018, Centrepoin, a leading youth homelessness charity, was selected as our corporate charity partner. Since our partnership began in December 2018, FirstPort has raised more than £91,000 for Centrepoin.

# FIRSTPORT LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### Principal Risks & Uncertainties

Risk	Risk Description	Mitigation
Health and safety ('H&S')	The risk of breaches of H&S standards resulting in injuries, environmental damage or physical damage to property leading to financial penalties, reputational damage and delays to site related activities	<ul style="list-style-type: none"><li>• Dedicated H&amp;S team under the guidance of skilled H&amp;S Director</li><li>• Robust H&amp;S culture with safety risk register</li></ul>
Contract retention	The risk associated to the dependency on key client/customer contracts and the loss of contracts	<ul style="list-style-type: none"><li>• Delivery of high-quality customer service under standardised 'four pillars' approach</li><li>• Maintaining a regular dialogue with individual and business customers</li><li>• Commitment to the principles set out in its Customer Charter</li></ul>
Reputation	The risk of damage to brand name or reputation either through our people, our behaviours, or third parties acting on our behalf	<ul style="list-style-type: none"><li>• Improvement in customer service and clear complaints processes reduce the risk of issues escalating</li><li>• Monitoring and responding to customer feedback on employees and third party supplier services</li><li>• Whistle-blower hotline</li></ul>
Economic risks and changes in market dynamics	Failure to respond effectively to developments in the broader economy, competition and other market or fiscal dynamics, including Brexit and COVID-19	<ul style="list-style-type: none"><li>• Resilient UK based business model</li><li>• Significant experience and expertise in chosen markets</li><li>• Frequent review of competition</li><li>• Market insight and intelligence</li></ul>
Financial management	Failure to maintain appropriate financial controls throughout the business, including the management of debt covenants, credit risk, fraud risk and taxation	<ul style="list-style-type: none"><li>• Experienced finance team</li><li>• Financial control environment</li><li>• Close monitoring of financial performance, debt covenants and credit risk by senior management</li><li>• Board oversight of financial performance</li></ul>
Systems dependence and business continuity	The risk associated with the non-delivery and future-proofing of our technology, including the potential impact of business interruption through systems and facilities	<ul style="list-style-type: none"><li>• Investment in appropriate technology and staff</li><li>• IT governance structure</li><li>• IT resilience and disaster recovery plans designed to restore service</li><li>• Business continuity plan for each business operational office</li><li>• Cyber security accreditation</li></ul>



# FIRSTPORT LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### Principal Risks & Uncertainties (continued)

Risk	Risk Description	Mitigation
Legal and regulatory compliance	The risk of failing to comply with relevant laws, regulations and Standards including AML, CCO, Gender Pay Reporting and Modern Slavery	<ul style="list-style-type: none"><li>• Employment of qualified advisors both internally and externally who report regularly to the Board about all significant legislative changes in the UK</li><li>• Development of internal policies and procedures to ensure adequate capture of legal and regulatory compliance issues</li><li>• Maintenance of risk register for all current regulatory issues</li><li>• Training programmes for staff</li></ul>
People Risk	The risk that we fail to attract and retain high calibre employees in order to deliver on all aspects of our strategy	<ul style="list-style-type: none"><li>• HR strategy encompassing recruitment, reward, retention, talent development and performance management</li><li>• Succession planning for middle and senior management</li><li>• Regular review of top talent in the organisation regardless of level by all executive members</li></ul>
Data protection and privacy risk	The risk of the loss or misuse of customer or employee data	<ul style="list-style-type: none"><li>• Information security policies encompassing data protection</li><li>• Investment in appropriate technology and staff</li><li>• General data protection regulation (GDPR) steering committee</li><li>• Breach register and ICO registration</li></ul>

# **FIRSTPORT LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

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

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### **Governance and risk management**

#### **The Board and management team**

FirstPort Limited has a Board comprising of two directors and is ultimately owned and controlled by Drive Topco Limited. The Group has policies in place that are applicable and adhered to by the Company.

The Company's Board meets approximately ten times per annum. Health and safety performance, any accidents, and lessons from any near-miss events are reviewed and considered at Board meetings.

#### **Internal control and risk management**

Our approach to internal control is delivered through senior management oversight via a dedicated internal governance and compliance team. The two responsible Executive Directors hold monthly internal control meetings with the governance team based on the Board's agreed risk framework, mitigating strategies, and the latest status of the risks. Any changes or matters of concern are reported to the full Board. As a company we also maintain and monitor a set of detailed policy documents across all areas of our operations, including health and safety, procurement, finance, and governance (including anti-bribery). We use the support of external experts to conduct ad hoc reviews of specific areas of the business that the Board considers may present significant risk.

#### **Financial risk management**

The Company's operations expose us to a variety of financial risks that include the effects of credit, liquidity, cashflow and interest rate risk. There are robust controls in place to limit any adverse impact on our Company's performance by monitoring potential financial risks. Given the business' size, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board.

Our Company's exposure to interest rate risk was assessed by management and considered low. We have a large base of UK residential and commercial customers, which reduces the concentration of credit risk. Where we transact with corporate customers, our credit control teams follow strict processes for managing and mitigating the risk of non-payment of charges.

The Company is part of the Drive Topco Limited group's cash management and forecasting processes which are in place to manage cash flow and liquidity within the existing Group financing arrangements.

# FIRSTPORT LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Statement on the Directors' performance of their statutory duties in accordance with s172 (1) Companies Act 2006**

The Directors of our Group act in accordance with a set of general duties, which are detailed in the UK Companies Act 2006. These include a duty to promote the success of the Group for the benefit of its members as a whole and to consider (amongst other matters):

- The likely consequences of any decision in the long term;
- The interests of the Group's employees;
- The need to foster the Group's business relationships with suppliers, customers and others;
- The impact of the Group's operations on the community and the environment;
- The desirability of the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Group.

Our Directors are briefed annually on their duties and they can access professional advice either through the Group or, an independent provider, as required.

The Board has reviewed their current approach to corporate governance and decision making, engagement with stakeholders and their impact on the environment. How the Board fulfils its duties under Section 172 (1) is summarised as follows:

#### *Decision-making*

The Board meets monthly with our senior executive management team to discuss key issues and to make sure that strategic plans are followed. Key actions are taken and communicated to the senior management team regularly along with the wider business to ensure transparency and to maintain focus on the business' key strategic goals. A monthly 'Business Buzz' video is distributed on the Group's internal platform where the Chief Executive Officer and other key Senior Managers cascade important messages to all employees.

The Board undertakes an in-depth review of the Group's strategy annually, based on a 5-year business plan. The approved plan then forms the strategic direction of the business with amendments made as and when necessary during the reviews. The plan and strategy form the basis for financial budgets, resource plans and investment decisions. When making decisions relating to the business plan and future strategy, the Board takes into consideration a variety of matters including the interest of various stakeholders, the consequences of its decisions in the long-term and its reputation. For more details on the strategic developments in 2020, see pages 1 and 2.

The Board also maintains oversight of our performance and ensures that our management is acting in accordance with our strategy and plan. They also identify, evaluate, manage, and mitigate any risks we face. Details are provided in pages 5 and 6.

#### *Principle decisions*

On 25 March 2020, the UK Government announced a national lockdown in response to the COVID-19 pandemic. The lockdown included a stay-at-home order and the banned non-essential travel. The Board considered the lockdown rules and guidance and determined that the majority of its workforce can work remotely. Further funding was made available to the investment in IT equipment to aid better remote working. The Board approved flexible working for colleagues that could work from home and ensured essential travel documentation be made available for colleagues that were required to travel.

The Group has invested in the development of new technologies to improve the service delivery across the entire organisation. The Board considers innovation of better technologies to be a key priority where it can enhance the service delivery of our operational teams and streamline processes to make them more efficient. As a result, the Board approved further investment in its digital programme.

# FIRSTPORT LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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During the year, opportunities to acquire new businesses into the Group have been presented to the Board. The Board takes into consideration their director's duties, notably their duty to promote the success of the business, when evaluating acquisition opportunities. Other key considerations are factored in, such as determining whether new opportunities can provide complimentary growth to the Group's existing service offerings.

#### *Our people*

Our employees are central to the long-term success of the Group and as such, the board ensures it has means of engaging to understand their views and interests. During the COVID-19 pandemic, to protect our employees and comply with national law, the Group made the decision to allow the majority of its workforce to work from home and provided further investment in remote working technologies. Our main offices were assessed by our Health & Safety team and made available and compliant with social distancing rules for those employees who required access. The Group intends to maintain flexibility with remote working to allow colleagues to choose how they wish to work.

A section dedicated to Our People is included in the monthly Board report to ensure the Board is regularly updated on key employee matters. Core topics in the report for Board consideration include employee relations, absences and employee turnover, training and development, communications, employee profiles, and Glassdoor ratings. For 2020 some key information around furlough and COVID-19 absences was also included to assess the overall impact of the pandemic to employees. This provides the Board with regular updates and trends on key people metrics and gives comfort that the people strategy is being well received both internally and externally.

During the COVID-19 pandemic, to protect our employees and comply with national law, the Group made the decision to allow the majority of its workforce to work from home and provided further investment in remote working technologies. Our main offices were assessed by our Health & Safety team and made available and compliant with social distancing rules for those employees who required access. Following employee surveys held in 2020 that yielded a favourable view towards long term flexible working, the Board decided to reduce office space and maintain the new way of working post COVID-19.

Development of new technologies continued throughout 2020 and the roll out of this in 2021 will have a significant impact to employees, both in terms of advanced operational systems and new ways of working. Regular communications from the CEO have taken place in recent years to keep employees updated with plans and progress, with Q&A sessions held to ensure two-way feedback that can be circulated to the Board. An external company, Storytellers, was also engaged so that senior managers could help bring to life the FirstPort way in an engaging and interactive manner for employees. These sessions were held for all team members and feedback given back to the Board via senior leadership meetings. Roll out plans have been determined by employee feedback on business readiness, and the Board not wanting to put undue strain on the workforce.

M&A opportunities are generally confidential by nature, however the Board gains assurance of these decisions from an employee perspective through a senior due diligence team that are close to the operations. An assessment on culture and long term fit of any potential M&A opportunities is also carried out to gain comfort no major conflicts will arise. Following a detailed due diligence process, a presentation and report is submitted to the Board summarising findings, allowing the Board to make an informed decision based on what is best for both Group and its employees.

The Group aims to ensure everyone is treated fairly and equitably and there are arrangements in place to prevent discrimination in the workplace. A dedicated HR team is available to support employees and there is a dedicated whistleblowing hotline if an employee wishes to raise a serious matter, this can be done anonymously. Any matters arising from any whistleblowing is recorded in our whistleblowing register and reviewed by the Risk & Governance Committee, a sub-committee of the Executive Management Board.

# FIRSTPORT LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The Group understands the importance of wellbeing, especially during this unprecedented year. All of our employees have access to our Employee Assistance Programme, which is managed by an independent third party, as well as internal colleagues trained as Mental Health First Aiders. During COVID-19, regular communications and additional support have been provided to employees across the business, from sharing information on available mental health resources to tips for home-schooling parents.

Our e-learning platform includes training modules designed to make sure we all act in a lawful and compliant way while conducting day to day duties; this includes data privacy, anti-bribery and anti-money laundering, modern slavery and health and safety legislation. For high risk topics, employees are required to complete this training annually. To support employee growth online training modules also cover a range of development topics, from becoming a great leader through to how to mentor and coach others.

Please refer to pages 3 and 4 for more details on our people.

#### *Community and environment*

We are committed to reducing our carbon footprint and environmental impact and are reviewing our CO2 emissions annually. In 2020, the Carbon Trust evaluated our carbon footprint and validated the carbon reporting figures under ISO 14064-3.

As a business we also recognise the importance of contributing to wider society. During 2020, we continued to support a national youth homelessness charity, CentrepoinT. The charity provides homeless young people with accommodation, health support and life skills in order to get them back into education, training, and employment.

#### *Corporate governance and reputation of high standards of business conduct*

In 2020, we worked with external advisors to carry out a gap analysis of our overall corporate governance structure, including environmental and social governance. The Wates Corporate Governance Principles (the "Wates Principles") for large private companies have been used to benchmark the Group's governance structure. The Board will continue to work towards improving its corporate governance practices in line with the Wates Principles and drive to meet these standards. Details are provided on page 7.

Our purpose and our operating model provide the key elements of how the Group maintains a reputation for high standards of business conduct.

#### *Stakeholder engagement*

Our Board ensures that positive stakeholder engagement exists at all levels across the business, and that decisions put customers first. However, with a wide stakeholder base that includes customers, clients, suppliers, employees, and society more widely, decisions also take all of these audiences into account.

The Board will sometimes engage directly with key stakeholders on certain issues, but the size and distribution of our stakeholders and our Group means that stakeholder engagement often takes place at an operational level.

Senior management hold monthly meetings with key clients to review our services in their respective portfolios. This enables us to highlight any issues raised by our clients and take action transparently. The Board is regularly updated by senior management on the progress of any matters raised in the client engagement meetings.

# FIRSTPORT LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The Board considers and discusses information from across the organisation to help it understand the impact of the Group's operations and the interests and views of key stakeholders. It also reviews strategy, financial and operational performance, as well as key risks and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting and via presentations.

The Board understands the importance of developing and maintaining good relationship with the Group's supply chain. Due to the nature of the services we offer, we have a diverse mix of large national suppliers and local suppliers. Whilst engagement with our suppliers mainly takes place at an operational level through our centralised procurement team, any developments which could materially impact the organisation are reported back to the Board. The Board will also review and approve key material contracts with its supply chain. Customer research is conducted with both residential customers and resident management company directors to ensure the business understands what's important to these stakeholders.

The business continues to proactively engage with key stakeholders on the building and fire safety challenges facing leaseholders across the country, including engaging with Government to try and find practical solutions for homeowners, as well as working with clients, suppliers and customers to help remediate buildings. In the light of the unprecedented, challenging circumstances these customers are facing, we are pleased to have announced in early 2021 a no-profit pledge, committing to only recover our costs on our work supporting customers whose buildings are being remediated via the Government's non-ACM cladding replacement fund.

#### *Engagement in action*

Over the year we held:

- Internal staff committee meetings and working with third party experts to discuss health and safety and the ways it can be improved across both the business and the developments in our care. The findings were presented back to the Board who approved the formation of a new building safety team to deal with developments that fall under the new regulatory requirements.
- An informal forum to discuss environmental and sustainability initiatives. This led to the setup of an ESG committee made up of employees in relevant departments. Updates to the Board are provided through the Board report with approval sought where appropriate.
- Regular engagement between our executive members and all employees through recorded and live videos, an internal social media system and a virtual company conference accessible for all employees to view and provide feedback on. The Board approved the first virtual conference in 2020 which was well received and provided a great feedback loop to capture employee sentiment, especially in such unprecedented times.
- A survey with our employees around flexible working patterns and engaged with specific office based staff that were impacted by our reduced office foot-print, to ensure the majority were supportive of the measures we undertook along with the future plans of their working environment. The clear preference from employees was to maintain a flexible approach, therefore measures to enable this were approved by the Board.
- Monthly meetings with key clients with their progress reported back to the executive management team and Board of Directors. The meetings have allowed our service model and proposition to evolve with our customer's needs and continue to improve our service offering in the market.
- Meetings with key suppliers to review service levels to ensure good service delivery performance during the COVID-19 national lockdown. These provided better understanding for suppliers around our business and goals, enabling a mutually beneficial sustainable relationship. They also gave suppliers the opportunity to showcase where else they may be able to support us. Key updates were provided in Board meetings.
- Customer interviews conducted by a specialist market research agency to shape customer service delivery and improvements. The interview helped reshape some of the decision-making processes in our Digital platform to ensure we cater for customer requirements. Digital was a hot Board topic throughout 2021.

#### *Shareholders*

Our majority shareholder appointed two Non-executive directors to the Board of the Group, who contribute to the strategic direction of the Group.

# **FIRSTPORT LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

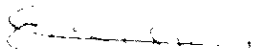
***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **Approval of Strategic Report**

This Annual Report comprises a strategic report for the Company which has been drawn up and presented in accordance with, and in reliance upon, applicable English company law, in particular Chapter 4A of the Companies Act 2006, and the liabilities of the directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

Approved by the Board of Directors and signed on behalf of the Board.



O Saleh  
**Director**

11 June 2021

# **FIRSTPORT LIMITED**

## **DIRECTORS' REPORT**

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

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### **Principal activities**

The principal activity of the Company continued to be that of the provision of shared services to fellow subsidiary companies.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

O Saleh  
N Howell

#### **Results and dividends**

The results for the year are set out on page 15.

No ordinary dividends were paid (2019: £nil). The directors do not recommend payment of a final dividend (2019: £nil).

#### **Directors' insurance**

The Group maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Group. This is a qualifying third party indemnity provisions made for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Financial risk management**

Information on financial risk management is included in the Strategic report on page 7.

#### **Stakeholder engagement and principal decisions**

Information on stakeholder engagement and principal decisions is included in the s172 (1) statement in the Strategic Report on pages 10 and 11.

#### **Disabled persons**

Information on disabled persons is included in the Strategic Report on pages 3 and 4.

#### **Employees**

Information on employees is included in the Strategic Report on pages 3 and 4. Further information on employee engagement is included in the s172 (1) statement in the Strategic Report on pages 9 and 10.

#### **Future developments**

The future developments of the business are discussed in the Strategic Report on page 2.

#### **Going concern**

Refer to the accounting policies (note 1.4) for a review of going concern.



# FIRSTPORT LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the Board



O Saleh  
Director

11 June 2021

# FIRSTPORT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

### PROFIT AND LOSS ACCOUNT

	Note	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	25,774,653	26,106,995
Administrative expenses		(26,646,331)	(28,269,529)
Other operating income	<b>4</b>	538,218	-
Exceptional items	<b>5</b>	(2,537,314)	(2,202,453)
<b>Operating loss</b>	<b>6</b>	(2,870,774)	(4,364,987)
Interest receivable from group undertakings		2,115,657	1,405,347
Interest payable and similar expenses	<b>11</b>	(5,715,248)	(3,762,505)
<b>Loss before taxation</b>		(6,470,365)	(6,722,145)
Tax on loss	<b>12</b>	(1,223,842)	174,380
<b>Loss for the financial year</b>		(7,694,207)	(6,547,765)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

### STATEMENT OF COMPREHENSIVE INCOME

	2020 £	2019 £
Loss for the year	(7,694,207)	(6,547,765)
Other comprehensive income	-	-
<b>Total comprehensive (expense)/income for the year</b>	(7,694,207)	(6,547,765)

# FIRSTPORT LIMITED

## BALANCE SHEET

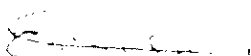
AS AT 31 DECEMBER 2020

	Note	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	13	13,567,756		5,509,736	
Tangible assets	14	2,190,033		3,097,389	
Investments	15	82,859,834		40,041,104	
		<u>98,617,623</u>		<u>48,648,229</u>	
<b>Current assets</b>					
Debtors	17	58,378,735	68,452,007		
Cash at bank and in hand		881,953	-		
		<u>59,260,688</u>	<u>68,452,007</u>		
<b>Creditors: amounts falling due within one year</b>	18	<u>(41,054,220)</u>	<u>(24,791,742)</u>		
<b>Net current assets</b>		18,206,468		43,660,265	
<b>Total assets less current liabilities</b>		<u>116,824,091</u>		<u>92,308,494</u>	
<b>Creditors: amounts falling due after more than one year</b>	19	<u>(93,453,873)</u>	<u>(61,257,315)</u>		
<b>Net assets</b>		<u>23,370,218</u>		<u>31,051,179</u>	
<b>Capital and reserves</b>					
Called up share capital	23	34,580,845	34,580,845		
Revaluation reserve		-	92,925		
Profit and loss account		<u>(11,210,627)</u>	<u>(3,622,591)</u>		
<b>Total equity</b>		<u>23,370,218</u>		<u>31,051,179</u>	

For the financial year ended 31 December 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements. The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The notes on pages 18 to 46 form an integral part of these financial statements.

The financial statements on pages 15 to 46 were approved by the board of directors and authorised for issue on 11 June 2021 and are signed on its behalf by:



O Saleh  
Director

Company Registration No. 04352396

# FIRSTPORT LIMITED

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

	Note	Called up share capital £	Revaluation reserve £	Profit and loss reserves £	Total equity £
<b>Balance at 1 January 2019</b>		25,229,386	92,925	2,925,173	28,247,484
<b>Year ended 31 December 2019:</b>					
Loss and total comprehensive expense for the year		-	-	(6,547,764)	(6,547,764)
Issue of share capital		9,351,459	-	-	9,351,459
<b>Balance at 31 December 2019</b>		34,580,845	92,925	(3,622,591)	31,051,179
<b>Year ended 31 December 2020:</b>					
Loss and total comprehensive expense for the year		-	-	(7,694,207)	(7,694,207)
Credit to equity for equity settled share-based payments	10	-	-	13,246	13,246
Transfers		-	(92,925)	92,925	-
<b>Balance at 31 December 2020</b>		34,580,845	-	(11,210,627)	23,370,218

# FIRSTPORT LIMITED

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

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### 1 Accounting policies

#### General Information

FirstPort Limited is a private company limited by shares incorporated in the United Kingdom. The registered office is Queensway House, 11 Queensway, New Milton, Hampshire, United Kingdom, BH25 5NR.

#### 1.1 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

#### 1.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1.3 Basis of preparation

The financial statements present information about the Company as an individual undertaking and not about its Group. The Company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a wholly owned subsidiary of Drive Topco Limited and its results are included in the consolidated financial statements of that entity.

These financial statements are prepared on a going concern basis and under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.4 Going concern

The operations of the Company are managed as part of the Group. The Company is funded via the Group's bank facilities, held in this Company, and therefore manages its day-to-day working capital requirements in line with the Group's facilities. The ability of the Group to service its debt obligations is critical to the ongoing trading of the business and the Directors have considered the key factors that could have an impact on trading and whether an adverse change in these factors could affect our ability to meet our liabilities. The Group has a considerable number of on-going management contracts and accordingly the forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities.

As part of assessing the ability to continue as a going concern, the Group has also considered the ongoing impact of the COVID-19 pandemic and any related potential economic downturn on its business. During this assessment, management conducted various scenario analysis with sufficient depth and duration, considering different levels of revenue reduction, working capital implications and mitigating actions available to management. In 2020, the impact of COVID-19 was felt in the Group's transactional revenue lines which is reliant on the property market. This involves the Group's lettings and resales services. Management have created a "severe" downside scenario which modelled the effect of reductions to revenue up to June 2022. The model assumed that all transactional revenue will be lost and no cost reduction efforts would be made. In this "severe" scenario, sufficient liquidity and headroom on the Group's covenants were demonstrated. Even though the COVID-19 pandemic has presented a high level of uncertainty to all businesses, FirstPort operates as a resilient business and has the capabilities to continue to operate for the foreseeable future and for at least the period of twelve months following the date of approval of these financial statements. The Group generated cash in 2020 and ended the year with £7,585k cash with an unutilised £7.5m revolving credit facility.

The Directors of the Company have received confirmation that Drive Topco Limited intends to provide financial support for a period of at least 12 months from the date of signing these financial statements. As with any company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least the period of twelve months following the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.5 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows required under FRS 102 paragraph 3.17(d), on the basis that it is a qualifying entity and a consolidated statement of cash flows is included in the consolidated financial statements of the company's ultimate parent, Drive Topco Limited, which includes any cash flows of the company;

(ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information, to the extent required, is provided in the consolidated financial statement disclosures of Drive Topco Limited;

(iii) from disclosing the company key management personnel compensation, required by FRS 102 paragraph 33.7, as the information is provided in the consolidated financial statement disclosures of Drive Topco Limited; and

(iv) from disclosing related party transactions, required under FRS 102 paragraph 33.9, on the basis that Drive Topco Limited has control, joint control or significant influence over both the company and the related entities.

##### 1.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and rebates allowed by the Company and value added taxes.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement in or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the type of revenue have been met as described below.

###### (i) Management recharges

Revenue is derived from the provision of shared support services to other group companies. Revenue is recognised in the accounting period in which the performance of the services has been provided to the customer.

##### 1.7 Exceptional items

The Company classifies certain non-recurring charges or credits in a financial year that are not part of the underlying trading business, that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide a fair view of the financial performance of the Company.

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

**(Continued)**

#### **1.8 Employee benefits**

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### **(i) Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised at the balance sheet date for any material remaining obligations to employees.

##### **(ii) Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are payable in accordance with the rules of the scheme. Amounts due but not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### **(iii) Annual bonus plan**

The Company operates annual bonus plans for employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.



# FIRSTPORT LIMITED

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

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### 1 Accounting policies

(Continued)

#### 1.9 Taxation

Taxation credit for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the related tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

##### Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is also recognised in relation to assets and liabilities acquired in a business combination where the amount that will be deducted or assessed for tax differs to the fair value at which the asset or liability is recognised on acquisition in the financial statements. The tax base of an asset or liability is determined based on the expected manner of recovery.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities arise from income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an ability and intention to settle the balances at the same time.

#### 1.10 Intangible fixed assets other than goodwill

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	straight-line over 3 years
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# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies

(Continued)

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefit;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### 1.11 Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation on other assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Office equipment, fixtures and fittings	straight-line over 3 to 5 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account and included in other operating income.

# FIRSTPORT LIMITED

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

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### 1 Accounting policies

(Continued)

#### 1.12 Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

#### 1.13 Investments

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

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

#### 1.14 Impairment of fixed assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash-generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash-generating unit) is compared to the carrying amount of the asset (or asset's cash-generating unit).

The recoverable amount of the asset (or asset's cash-generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash-generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash-generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the profit and loss account. Goodwill is allocated on acquisition to the cash-generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash-generating units for impairment testing. Any previous impairment of goodwill is not reversed.

#### 1.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

#### 1.16 Financial instruments

The Company has elected to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies

(Continued)

##### *(i) Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party.

##### *(ii) Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and bank overdrafts, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### *(iii) Offsetting*

###### *(i) Offsetting*

Financial assets and liabilities are offset and 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

The Group adopts the accrual model relating to Government grants. Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

# FIRSTPORT LIMITED

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

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### 1 Accounting policies

(Continued)

#### 1.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

#### 1.19 Related parties

The Company discloses transactions with related parties not wholly owned by Drive Topco Limited. It does not disclose transactions with other group companies wholly owned by Drive Topco Limited.

#### 1.20 Share Based Payments

Where equity settled share-based payment awards are made to employees, the fair value of the awards at the date of grant is charged to profit or loss over the vesting period with a corresponding increase in equity being recognised through retained earnings.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the value of awards that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the awards granted. As long as all other vesting conditions are satisfied, a charge is made to profit or loss irrespective of whether any market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

### 2 Critical accounting judgements and estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### (a) Critical accounting judgements in applying the company's accounting policies

There are no areas within the financial statements where management has been required to apply a critical judgement.

#### (b) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (i) Deferred tax assets

The recognition of deferred tax assets, particularly relating to previously incurred losses, requires judgement, including in relation to the future taxable profits of the entities that incurred the losses, the types of losses and future income, the utilisation of capital allowances in any year, and the extent of group relief transfers to be made across the Group.

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 3 Turnover and other revenue

The Company's turnover is all derived from its principal activity in the UK, that being the provision of shared services to fellow FirstPort companies.

#### 4 Other Operating Income

Other Operating Income includes a government grant that relates to the UK Government's Coronavirus Job Retention Scheme (CJRS). The Group furloughed employees in line with the CJRS and recognised £153k (2019: £nil) in the year as income. There are no contingencies attached to the CJRS. The remainder of the amount relates to an R&D tax claim made on the Group's development of its digital project of £385k (2019: £nil).

#### 5 Exceptional items

	2020 £	2019 £
Restructuring costs	671,780	-
Transactional costs	1,545,213	2,202,453
Other exceptional items	320,321	-
	<u>2,537,314</u>	<u>2,202,453</u>

Transactional costs mainly relate to one-off costs incurred on the acquisition of Mainstay and Chamonix such as professional fees and integration costs.

Restructure costs incurred as a result of restructuring the Group due to COVID-19 and the Mainstay acquisition.

Other exceptional items largely relate to one-off costs associated with dealing with the COVID-19 pandemic and relate to personal protective equipment. Included in other exceptional items are costs in relation to exiting the London Bridge office and legacy costs associated with the acquisition of Knight Square Holdings Limited Group in 2019.

In 2019, exceptional charges related to transactional costs primarily in relation to one-off costs incurred from the change in the investor base including due diligence and restructuring costs. These costs were necessary for the transaction to proceed.

#### 6 Operating loss

	2020 £	2019 £
Operating loss for the year is stated after charging:		
Government grants	(152,707)	-
Research and development tax credit	(385,510)	-
Depreciation of tangible assets	1,764,183	2,188,740
Loss on disposal of tangible fixed assets	55,000	-
Amortisation of intangible assets	496,754	177,269
Share-based payments	13,246	-
Operating lease charges	<u>1,143,397</u>	<u>1,323,654</u>

# FIRSTPORT LIMITED

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

### 7 Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Company's auditors and its associates:		
<b>For audit services</b>		
Audit of the Company's financial statements	-	9,256
Audit of financial statements of Drive Topco Limited Group	421,814	319,805
	<u>421,814</u>	<u>329,061</u>
<b>For other services</b>		
Audit-related assurance services	31,346	6,079
Taxation compliance services	22,250	95,450
Other taxation services	129,180	140,310
Services relating to corporate finance transactions	-	516,000
All other non-audit services	5,780	20,384
	<u>188,556</u>	<u>778,223</u>

In 2020, the Company incurred all fees in relation to the Group audit of the Drive Topco Limited group of companies.

The taxation compliance, taxation advisory and other services have not been allocated to subsidiary companies.

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 8 Employees

The average monthly number of persons (including directors) employed by the Company during the year was:

	2020 Number	2019 Number
Office and management	329	304

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	13,003,205	13,041,789
Social security costs	1,327,472	1,218,512
Other pension costs	543,899	426,412
Share based payments	13,246	-
Total aggregate remuneration before capitalised costs	14,887,822	14,686,713
Less capitalised costs	(789,964)	(411,510)
Aggregate remuneration charged to profit and loss	14,097,858	14,275,203

During the year ended 31 December 2020, FirstPort Limited capitalised wages and salaries of £684,133 (2019: £347,999), social security cost of £74,494 (2019: £43,393) and other pension cost of £31,338 (2019: £20,118). Capitalised wages forms part of the cost of internally developed software.

#### 9 Directors' remuneration

The directors are remunerated by Drive Bidco Limited as their services to the Company are merely incidental to their employment in other divisional companies. Details of the directors' remuneration can be found in the financial statements of Drive Bidco Limited.



# FIRSTPORT LIMITED

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

### 10 Share-based payment transactions

During the current year, certain employees of the Company subscribed for 5,357 (2019: nil) B Ordinary Shares in Drive Topco Limited ("Drive Topco"), the ultimate parent undertaking of the Company. The B Ordinary Shares were issued in order to incentivise the holders to grow the value of the Group.

In the event that a holder of B Ordinary Shares leaves the employment of the Group, Drive Topco has the right but not the obligation to require the holder to transfer their B Ordinary Shares to an employee of the Group or an employee trust established for the benefit of employees of the Group.

The price that a holder of B Ordinary Shares receives for such a transfer depends upon, inter alia, the date on which the holder leaves and the manner in which they leave. The price varies between the 'fair price' of the shares (this being a price determined by the transferor and remuneration committee or, in the absence of agreement, an independent expert) and the price the holder paid for the share.

In all other respects the B Ordinary Shares rank *pari passu* with the A Ordinary Shares of the Company (the only other class of shares in issue) as regards voting rights, rights to dividends and rights on a return of capital.

The issue of the B Ordinary Shares has been accounted for as an equity settled share-based payment arrangement in accordance with the accounting policy described in note 1.20.

The fair value of the shares issued under this arrangement has been measured by reference to the expected future value of the Group at an assumed exit date, this being the date of sale, asset sale, listing or winding-up. The main steps in the valuation approach were as follows:

- Step 1 - estimating the enterprise value of the Group at the date the B Ordinary Shares were issued
- Step 2 - simulating the future enterprise value of the Group using a Monte-Carlo valuation model through to the assumed exit date
- Step 3 - deriving the value attributable to the holders of the A Ordinary Shares and B Ordinary Shares of the Company by deducting net debt at the assumed exit date
- Step 4 - allocating the proportion of the equity value to the B Ordinary Shares
- Step 5 - discounting the equity value back to the date the B Ordinary Shares were issued using the risk-free rate and expected time to the assumed exit date.

During the year ended 31 December 2020, the Company has recognised a total expense of £13,246 (2019: £nil) in profit and loss in relation to the above described share-based arrangement.

### 11 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	5,127,705	3,392,472
Interest on finance leases and hire purchase contracts	-	2,197
Loan fee amortisation	587,543	367,836
	<u>5,715,248</u>	<u>3,762,505</u>

Debt issue costs, including loan amortisation fees, which are directly incurred in arrangement of borrowing facilities are included within the calculation of the effective interest rate on the borrowing, but are disclosed separately as the Company consider this information aids in the understanding of the total financing costs.

# FIRSTPORT LIMITED

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

### 12 Tax on profit/(loss)

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	14,993	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	680,700	(70,857)
Changes in tax rates	5,051	7,459
Adjustments in respect of prior periods	523,098	(110,982)
Total deferred tax	1,208,849	(174,380)
Total tax charge/(credit)	1,223,842	(174,380)

The charge/(credit) for the year can be reconciled to the loss per the profit and loss account as follows:

	2020 £	2019 £
Loss before taxation	(6,470,365)	(6,722,144)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,229,369)	(1,277,207)
Non-deductible expenses	591,460	131,952
Non-taxable income	-	(3,724)
Adjustments in respect of prior periods	14,993	(110,982)
Effect of change in tax rates and laws	5,051	7,459
Group relief	1,251,808	833,265
Research and development tax credit	(73,247)	-
Other permanent differences	3,659	-
Deferred tax adjustments in respect of prior years	523,098	-
Transfer pricing	136,199	244,857
Fixed asset differences	190	-
Total tax charge/(credit) for the year	1,223,842	(174,380)

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would rise from 19% to 25%. As this law is yet to be substantively enacted at the balance sheet date, its effects are not included in these financial statements.

Deferred tax balances at 31 December 2020 were measured at 19% (2019: 17%) for items that are expected to be charged or credited to the profit and loss account in the next financial year.

# FIRSTPORT LIMITED

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

### 13 Intangible assets

	Software £
<b>Cost</b>	
At 1 January 2020	5,724,527
Additions	8,554,774
	<hr/>
At 31 December 2020	14,279,301
	<hr/>
<b>Accumulated amortisation and impairment</b>	
At 1 January 2020	214,791
Amortisation charged for the year	496,754
	<hr/>
At 31 December 2020	711,545
	<hr/>
<b>Carrying amount</b>	
At 31 December 2020	13,567,756
	<hr/>
At 31 December 2019	5,509,736
	<hr/>

The software intangible assets include the Company's internally developed digital transformation program which is being developed for the Group's future operating growth requirements. Total development cost incurred in the current year was £8,555k (2019: £4,246k) and has been classified as intangible assets under construction as at 31 December 2020. There have been no costs that were originally capitalised and then subsequently written off. These costs are capitalised as they are directly attributable to the development of the software. The software will begin amortisation when the development of the software is complete.

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 14 Tangible assets

	Office equipment, fixtures and fittings £
<b>Cost</b>	
At 1 January 2020	13,664,976
Additions	911,829
Disposals	(209,914)
At 31 December 2020	14,366,891
<b>Accumulated depreciation</b>	
At 1 January 2020	10,567,587
Depreciation charged in the year	1,764,183
Eliminated in respect of disposals	(154,912)
At 31 December 2020	12,176,858
<b>Carrying amount</b>	
At 31 December 2020	2,190,033
At 31 December 2019	3,097,389

### 15 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries (note 29)	29	82,859,834	40,041,104

The Company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

During the year, the Company acquired 100% of the share capital of the Mainstay Group and 100% of the share capital of the Chamonix Group. Refer to note 16 for information on these acquisitions.

# FIRSTPORT LIMITED

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

### 15 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2020	40,041,104
Additions (note 16)	42,818,730
At 31 December 2020	82,859,834
<b>Carrying amount</b>	
At 31 December 2020	82,859,834
At 31 December 2019	40,041,104

### 16 Acquisitions

#### 16.1 Acquisition of Mainstay Group Limited

On 15 September 2020 the Company acquired 100% shareholding of Mainstay Group Limited.

	Fair Value £
Intangible assets	14,763,000
Tangible assets	536,577
Trade and other receivables	6,506,078
Cash and cash equivalents	5,413,907
Trade and other payables	(7,048,847)
Tax liabilities	(99,258)
Deferred tax	(2,888,425)
Total identifiable net assets	17,183,032
Goodwill	17,202,125
Total consideration	34,385,157
Satisfied by:	£
Cash	30,058,064
Non-cash consideration	3,630,087
Directly attributable cost	697,006
	34,385,157

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 16 Acquisitions

(Continued)

Contribution by the acquired business to the Group's performance for the reporting period since acquisition: £

Turnover	7,092,381
Profit after tax	873,594

Upon acquisition, the business had net assets with a fair value of £17,183k. Included in the fair value adjustments are the recognition of intangible assets relating to the acquired business's customer relationships and brand identified and its fair value was measured at £11,602k and £3,161k respectively. A deferred tax liability of £2,805k has been recognised on the intangible assets which has been added to goodwill.

The goodwill of £17,202k from the acquisition is attributable to the expertise and experience of the workforce acquired, the customer relationships and economies of scale expected from combining the operations into the Group. Management has estimated the useful life of the goodwill to be 20 years.

The customer relationships intangible assets has been attributed a useful life of between 2 and 10 years and brands intangible asset has been attributed a useful life of 10 years. The useful life is based on the period of when the majority of the value is generated.

# FIRSTPORT LIMITED

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

### 16 Acquisitions

(Continued)

#### 16.2 Acquisition of Chamonix Holdings Limited

On 2 December 2020 the Company acquired the business of Chamonix Holdings Limited.

	Fair Value £
Intangible assets	7,758,800
Tangible assets	62,215
Trade and other receivables	897,232
Cash and cash equivalents	4,253,898
Trade and other payables	(1,270,612)
Tax liabilities	(293,860)
Deferred tax	(1,531,391)
Total identifiable net assets	9,876,282
Goodwill	6,478,922
Total consideration	16,355,204
	<hr/>
Satisfied by:	£
Cash	7,689,972
Borrowings settled	7,921,630
Non-cash consideration	477,644
Directly attributable cost	265,958
	16,355,204
	<hr/>
Contribution by the acquired business for the reporting period since acquisition:	£
Turnover	473,018
Profit after tax	177,966
	<hr/>

Upon acquisition, the business had net assets with a fair value of £9,876k. Included in the fair value adjustments are the recognition of intangible assets relating to the acquired business's customer relationships and brand identified and its fair value was measured at £7,258k and £501k respectively. A deferred tax liability of £1,474k has been recognised on the intangible assets which has been added to goodwill.

The goodwill of £6,479k from the acquisition is attributable to the expertise and experience of the workforce acquired, the customer relationships and economies of scale expected from combining the operations into the Group. Management has estimated the useful life of the goodwill to be 20 years.

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 16 Acquisitions

(Continued)

The customer relationships intangible asset has been attributed a useful life of 10 years and brands intangible asset has been attributed a useful life of 5 years. The useful life is based on the period of when the majority of the value is generated.

### 17 Debtors

	2020 £	2019 £
Trade debtors	87,699	135,488
Deferred tax asset (note 21)	-	480,164
Amounts owed by group undertakings	54,726,816	65,410,514
Taxation and social security	1,826,409	605,198
Other debtors	205,236	341,448
Prepayments and accrued income	1,532,575	1,479,195
	<u>58,378,735</u>	<u>68,452,007</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	2020 £	2019 £
Bank overdraft	-	677,635
Trade creditors	2,134,151	1,319,278
Amounts owed to group undertakings	34,945,259	19,039,822
Deferred tax liability (note 21)	728,685	-
Other creditors	209,905	1,276,773
Accruals and deferred income	3,036,220	2,478,234
	<u>41,054,220</u>	<u>24,791,742</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	2020 £	2019 £
Bank loans and overdrafts	20	93,453,873
	<u>93,453,873</u>	<u>61,257,315</u>



# FIRSTPORT LIMITED

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

### 20 Bank loans and overdrafts

	2020 £	2019 £
Bank loans	97,700,000	64,200,000
Bank overdrafts	-	677,635
Deferred financing cost	(4,246,127)	(2,942,685)
	<u>93,453,873</u>	<u>61,934,950</u>
Payable within one year	-	677,635
Payable after one year	<u>93,453,873</u>	<u>61,257,315</u>

#### Bank loans

The Company has a £105.2m bank facility comprising of the following:

#### Bank facility term schedule:

	Nominal Interest rate	Termination date	Repayment	Credit Facility £
Term loan facility B1	LIBOR + 2.25%	09-Oct-25	At termination date	12,100,000
Term loan facility B2	LIBOR + 6%	09-Apr-26	At termination date	52,100,000
Term loan acquisition/capex facility	LIBOR + 6%	09-Apr-26	At termination date	10,000,000
Revolving facility	LIBOR + 2.25%	09-Oct-25	At termination date	7,500,000
Additional Super Senior Facility	LIBOR + 3%	09-Oct-25	At termination date	4,000,000
Additional Unitranche Facility	LIBOR + 7.75%	09-Apr-26	At termination date	7,000,000
Second Additional Unitranche Facility	LIBOR + 6.75%	09-Apr-26	At termination date	12,500,000
				<u>105,200,000</u>

The revolving facility remains undrawn as at 31 December 2020.

The nominal interest rate in the table above is conditional and depends on the financial performance of the Group. The current rate disclosed is based on the current financial performance.

Interest on the facility is cash settled on a six monthly basis. A commitment fee is charged on the undrawn amount on a three monthly basis.

The facility is held by FirstPort Limited and is secured against the shares and assets of Knight Square Limited and its subsidiaries.

The financial covenants attached to all of the above loans were tested as at year end. Compliance with covenants in respect of the external bank debt has been assessed to December 2022 with no breaches forecast.

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 20 Bank loans and overdrafts

(Continued)

##### Deferred financing costs

Deferred financing costs are amortised over the period of the revolving credit facility which makes up the effective interest rate.

#### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £	Asset 2020 £	Asset 2019 £
Tax losses	1,390,425	-	-	-
Short term timing differences	-	-	-	3,274
Fixed asset timing differences	(2,119,110)	-	-	476,890
	<u>(728,685)</u>	<u>-</u>	<u>-</u>	<u>480,164</u>
<b>Movements in the year:</b>				<b>2020 £</b>
Asset at 1 January 2020				480,164
Charge to profit or loss account				<u>(1,208,849)</u>
(Liability)/Asset at 31 December 2020				<u><u>(728,685)</u></u>

The Company has an unrecognised deferred tax asset of £nil (2019: £nil).

#### 22 Retirement benefit schemes

The Company operates a defined contribution pension scheme for all qualifying employees in the Group.

	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	<u>543,899</u>	<u>406,294</u>

# FIRSTPORT LIMITED

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

### 23 Called up share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
34,580,845 (2019: 34,580,845) shares of £1 each	34,580,845	34,580,845

The Ordinary shares carry one vote per share, the right to receive dividends and the right to a return of capital.

### 24 Contingent liabilities

The Company is party to a Group Debenture secured over all of its assets in favour of Lucid Trustee Services Limited as a Security Agent acting on behalf of NatWest and Pembertons. The Borrower is FirstPort Limited, a subsidiary company. The loan balance, excluding deferred financing cost, and accrued interest payable outstanding at the balance sheet date were £97,700k and £1,205k respectively (2019: £64,200k and £1,022k).

### 25 Operating lease commitments

#### Lessee

At the reporting end date the Company had outstanding commitments for total future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	689,390	159,219
Between one year and five years	1,513,340	285,338
	<u>2,202,730</u>	<u>444,557</u>

### 26 Related party transactions

There are no transactions with related parties not wholly owned by the group headed by Drive Topco Limited.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned by the group headed by Drive Topco Limited.

# **FIRSTPORT LIMITED**

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

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

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### **27 Controlling party**

The immediate parent undertaking is Knight Square Limited.

In the opinion of the directors, the ultimate controlling party is funds managed by Equistone Partners Europe Limited. Equistone Partners Europe Limited is registered in England and Wales.

Drive Topco Limited, a company registered in the United Kingdom under registration number 12043031, is the parent undertaking of the smallest and largest group of undertakings for which group financial statements are prepared.

The consolidated financial statements of Drive Topco Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ or from the Company's registered office at Queensway House, 11 Queensway, New Milton, Hampshire, UK, BH25 5NR.

### **28 Events after the reporting date**

There have been no events after the balance sheet date that have taken place that has materially affected the Company.

# FIRSTPORT LIMITED

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

### 29 Subsidiaries

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

Name of undertaking	Company Registration No.	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Balfour Homes Management Limited	United Kingdom No. 1986825 *	Dormant	Ordinary Shares	-	100.00
Brook Farm Court Management Limited	United Kingdom No. 2368738 *	Dormant	Ordinary Shares	-	100.00
Cavendish Management (Norwich) Limited	United Kingdom No. 1831847 *	Dormant	Ordinary Shares	100.00	-
Consort Property Management Limited	United Kingdom No. 3479620 *	Dormant	Ordinary Shares	100.00	-
Edgewood Management Services Limited	United Kingdom No. 2948602 *	Dormant	Ordinary Shares	-	100.00
Edgewood Retirement Developments Limited	United Kingdom No. 2086525 *	Dormant	Ordinary Shares	-	100.00
Ferndale Retirement Management Limited	United Kingdom No. 1709679 *	Dormant	Ordinary Shares	-	100.00
FirstPort Bespoke Property Services Limited	United Kingdom No. 1623496 *	Property management	Ordinary Shares	100.00	-
FirstPort HMF Limited	United Kingdom No. 6776392 *	Investment property	Ordinary Shares	100.00	-
FirstPort Investment Properties Limited	United Kingdom No. 4352393 *	Dormant	Ordinary Shares	100.00	-
FirstPort Operations PD Limited	United Kingdom No. 6277828 *	Investment property	Ordinary Shares	100.00	-
FirstPort Property Services Limited	United Kingdom No. 2061041 *	Property management	Ordinary Shares	100.00	-
FirstPort Property Services No.2 Limited	United Kingdom No. 2231168 *	Property management	Ordinary Shares	100.00	-
FirstPort Property Services No.3 Limited	United Kingdom No. 4352415 *	Dormant	Ordinary Shares	100.00	-
FirstPort Property Services No.4 Limited	United Kingdom No. 07299764 *	Property management	Ordinary Shares	100.00	-
FirstPort Property Services Scotland Limited	United Kingdom No. 3829468 *	Property management	Ordinary Shares	-	100.00
FirstPort Retirement Limited	United Kingdom No. 3479623 *	Dormant	Ordinary Shares	100.00	-
FirstPort Retirement Property Services Limited	United Kingdom No.1614866 *	Property management	Ordinary Shares	100.00	-
FirstPort Secretarial Limited	United Kingdom No. 5806647 *	Dormant	Ordinary Shares	-	100.00
FirstPort Services Limited	United Kingdom No. 9142979 *	Dormant	Ordinary Shares	100.00	-
King George Court Management Limited	United Kingdom No. 3175135 *	Dormant	Ordinary Shares	-	100.00
Maclaren Management Services Limited	United Kingdom No. 2142118 *	Dormant	Ordinary Shares	-	100.00
Matterdale Gardens Management Limited	United Kingdom No. 2405973 *	Dormant	Ordinary Shares	-	100.00
Meridian Homes Limited	United Kingdom No. 1972727 *	Dormant	Ordinary Shares	-	100.00

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 29 Subsidiaries

(Continued)

Meridian New Homes Limited	United Kingdom No. 2682974 *	Dormant	Ordinary Shares	100.00	-
Meridian Property Group Limited	United Kingdom No. 2306958 *	Dormant	Ordinary Shares	100.00	-
Meridian Retirement Homes Limited	United Kingdom No. 1885186 *	Dormant	Ordinary Shares	-	100.00
Meridian Retirement Housing Services Limited	United Kingdom No. 1833177 *	Dormant	Ordinary Shares	100.00	-
Mint Property Management Limited	United Kingdom No. 5643630 *	Dormant	Ordinary Shares	-	100.00
OM Nominee Services Limited	United Kingdom No. 6695871 *	Dormant	Ordinary Shares	100.00	-
OM Property Management Limited	United Kingdom No. 9143096 *	Dormant	Ordinary Shares	100.00	-
OM Property Management No.2 Limited	United Kingdom No. 9375984 *	Dormant	Ordinary Shares	100.00	-
Pegasus Court (Abergavenny) Management Limited	United Kingdom No. 2285749 *	Dormant	Ordinary Shares	-	100.00
Pegasus Court (Barnwood) Management Limited	United Kingdom No. 2311505 *	Dormant	Ordinary Shares	-	100.00
Pegasus Court (Bourton-on-the-Water) Management Limited	United Kingdom No. 2285752 *	Dormant	Ordinary Shares	-	100.00
Pegasus Court (Broadway) Management Limited	United Kingdom No. 2392014 *	Dormant	Ordinary Shares	-	100.00
Pegasus Court (Fleet) Management Limited	United Kingdom No. 2318677 *	Dormant	Ordinary Shares	-	100.00
Pegasus Court (Paignton) Management Limited	United Kingdom No. 2392342 *	Dormant	Ordinary Shares	-	100.00
Pegasus Court Cheltenham (Management) Limited	United Kingdom No. 1867554 *	Dormant	Ordinary Shares	-	100.00
Pegasus Court Hartley Wintney (Management) Limited	United Kingdom No. 2129138 *	Dormant	Ordinary Shares	-	100.00
Pegasus Court Management Limited	United Kingdom No. 2516929 *	Dormant	Ordinary Shares	-	100.00
Pegasus Thamesnorth Management Limited	United Kingdom No. 2636137 *	Dormant	Ordinary Shares	-	100.00
Pemberton's Maintenance Trustees (Aldford House) Limited	United Kingdom No. 5111218 *	Dormant	Ordinary Shares	-	100.00
Pemberton's Residential Limited	United Kingdom No. 9375969 *	Dormant	Ordinary Shares	100.00	-
Peverel Building Technologies Limited	United Kingdom No. 9221891 *	Dormant	Ordinary Shares	100.00	-
Peverel Management Services Limited	United Kingdom No. 9142759 *	Dormant	Ordinary Shares	100.00	-
Peverel Property Management Limited	United Kingdom No. 9146176 *	Dormant	Ordinary Shares	100.00	-
Peverel Scotland Limited	United Kingdom No. 9145223 *	Dormant	Ordinary Shares	100.00	-

# FIRSTPORT LIMITED

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

29 Subsidiaries				(Continued)	
Peverel Services Limited	United Kingdom No. 9146279 *	Dormant	Ordinary Shares	-	100.00
R.C. (Holdings) Limited	United Kingdom No. 2968054 *	Holding company	Ordinary Shares	100.00	-
R.C. Housing Limited	United Kingdom No. 11012025 *	Property management	Ordinary Shares	-	100.00
Renaissance Management Services Limited	United Kingdom No. 3404510 *	Dormant	Ordinary Shares	-	100.00
Retirement Care (Southern) Limited	United Kingdom No. 2486317 *	Dormant	Ordinary Shares	100.00	-
Retirement Care Group Ltd	United Kingdom No. 2195300 *	Investment property	Ordinary Shares	-	100.00
Retirement Care Limited	United Kingdom No. 1706784 *	Dormant	Ordinary Shares	-	100.00
Retirement Homesearch Limited	United Kingdom No. 3829469 *	Specialist estate agent	Ordinary Shares	-	100.00
Retirement Marketing Services Limited	United Kingdom No. 2196442 *	Dormant	Ordinary Shares	-	100.00
Stonedale (2012) Limited	United Kingdom No. 6544398 *	Dormant	Ordinary Shares	-	100.00
FirstPort Property Services No.5 Limited	United Kingdom No. 05876680 *	Property management	Ordinary Shares	100.00	-
Amenity Property (Avon Meadows Bidford) Limited	United Kingdom No. 08641151 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Britannia Mews Telford) Limited	United Kingdom No. 09361899 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Cally Blue Fields Stockton) Limited	United Kingdom No. 10461397 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Entech House Woolmer Green) Limited	United Kingdom No. 12063981 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Himley View Dudley) Limited	United Kingdom No. 08368398 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Hugesleah Place Highley) Limited	United Kingdom No. 09792989 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Levett Grange Rugeley) Limited	United Kingdom No. 07639525 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Lockside Walk Brierty Hill) Limited	United Kingdom No. 09043198 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Mellent Gardens Bedworth) Limited	United Kingdom No. 12695871 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Millbrook Park London Phase 4A) Limited	United Kingdom No. 10385756 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Millbrook Park London Phase 4C) Limited	United Kingdom No. 11824467 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Millers Reach Stone) Limited	United Kingdom No. 09245116 **	Dormant	Ordinary shares	-	100.00
Amenity Property (Oakleigh Grove Whetstone) Limited	United Kingdom No. 10704287 **	Dormant	Ordinary shares	-	100.00

# FIRSTPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 29 Subsidiaries

(Continued)

Amenity Property (Pennywell Walk Upton Upon Severn) Limited	United Kingdom No. 10030643 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Postmark London) Limited	United Kingdom No. 12002086 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Preedy Place Badsey) Limited	United Kingdom No. 09155288 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Priory Gardens Market Drayton) Limited	United Kingdom No. 07639333 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Saddlers Brook Walsall) Limited	United Kingdom No. 07639422 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Scarlett Oaks Shifnal) Limited	United Kingdom No. 10900315 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Sherford Plymouth Parcel B) Limited	United Kingdom No. 10839931 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Sherford Plymouth Parcel F) Limited	United Kingdom No. 10839976 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Sherford Plymouth Parcel G) Limited	United Kingdom No. 10535172 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Sherford Plymouth Parcel J) Limited	United Kingdom No. 11454909 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Sherford Plymouth Parcel L) Limited	United Kingdom No. 11454877 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Sherford Plymouth Parcel M) Limited	United Kingdom No. 11923138 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Sherford Plymouth Parcel S) Limited	United Kingdom No. 10535253 **	Dormant	Ordinary shares	- 100.00
Amenity Property (The Hathaways Stratford) Limited	United Kingdom No. 09361834 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Thomas Beddoes Court Shifnal) Limited	United Kingdom No. 07639356 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Walmey Croft Sutton Coldfield) Limited	United Kingdom No. 10147213 **	Dormant	Ordinary shares	- 100.00
Amenity Property (Woodland View Coventry) Limited	United Kingdom No. 07639369 **	Dormant	Ordinary shares	- 100.00
Amenity Property Holdings Limited	United Kingdom No. 07635509 **	Dormant	Ordinary shares	- 100.00
Baker Sinclair Limited	United Kingdom No. 10306297 *	Dormant	Ordinary shares	- 100.00
CE Anthony Nolan (Fairstead) Limited	United Kingdom No. 06354199 *	Dormant	Ordinary shares	- 100.00
CE Blenheim Grange Watton Limited	United Kingdom No. 06067570 *	Dormant	Ordinary shares	- 100.00
CE Churchill Gardens Cambourne Limited	United Kingdom No. 06453105 *	Dormant	Ordinary shares	- 100.00
CE Cobbler's Mews Romany Road Limited	United Kingdom No. 06022591 *	Dormant	Ordinary shares	- 100.00



# FIRSTPORT LIMITED

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

### 29 Subsidiaries

(Continued)

CE Lock Mill Blackburn Limited	United Kingdom No. 06346923 *	Dormant	Ordinary shares	-	100.00
CE Oakfield Gardens Hyde Limited	United Kingdom No. 06406964 *	Dormant	Ordinary shares	-	100.00
CE Poppy Fields (Benwick) Limited	United Kingdom No. 06353915 *	Dormant	Ordinary shares	-	100.00
CE The Hawthornes Blackley Limited	United Kingdom No. 06443043 *	Dormant	Ordinary shares	-	100.00
CE Willow Grange Ely Limited	United Kingdom No. 06067392 *	Dormant	Ordinary shares	-	100.00
Chamonix Estates Developments Limited	United Kingdom No. 10821470 *	Dormant	Ordinary shares	-	100.00
Chamonix Estates Limited	United Kingdom No. 05851267 *	Property Management	Ordinary shares	-	100.00
Chamonix Group Limited	United Kingdom No. 05856372 *	Property Management	Ordinary shares	-	100.00
Chamonix Holdings Limited	United Kingdom No. 12500321 *	Property Management	Ordinary shares	100.00	-
Fairfield Company Secretaries Limited	United Kingdom No. 05988785 *	Property Management	Ordinary shares	-	100.00
Ground Rent Services Limited	United Kingdom No. 09804654 *	Dormant	Ordinary shares	-	100.00
Longhurst Drive Management Company Limited	United Kingdom No. 11416290 *	Dormant	Ordinary shares	-	100.00
Mainstay (Secretaries) Limited	United Kingdom No. 04458913 **	Dormant	Ordinary shares	-	100.00
Mainstay Facilities Management Limited	United Kingdom No. 03340310 **	Property Management	Ordinary shares	-	100.00
Mainstay Group Limited	United Kingdom No. 04002715 **	Property Management		100.00	-
Mainstay Payments Limited	United Kingdom No. 04771082 **	Dormant	Ordinary shares	-	100.00
Mainstay Residential Limited	United Kingdom No. 04052477 **	Property Management	Ordinary shares	-	100.00
Maybeck Collections Limited	United Kingdom No. 04052424 **	Dormant	Ordinary shares	-	100.00
MRML Limited	United Kingdom No. 03904173 **	Dormant	Ordinary shares	-	100.00

\* The registered address is Queensway House, 11 Queensway, New Milton, Hampshire, UK, BH25 5NR.

\*\* The registered address is Whittington Hall, Whittington Road, Worcester, Worcestershire, UK, WR5 2ZX.