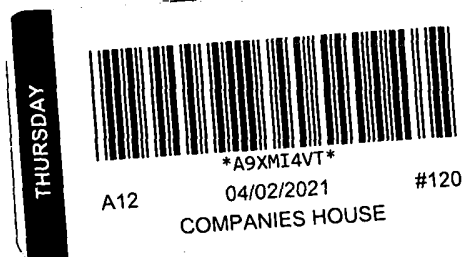


**Lock Midco 1 Limited**

**Annual report and financial  
statements**

**For the year ended 31 March 2020**

**Registered number 09175994**



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## Strategic report

The directors present their Strategic report, Directors' report and financial statements for the year ended 31 March 2020.

### Business review

The Company's principal activity is that of being an intermediate parent company and therefore it does not perform a trade. A review of the business of the company's subsidiaries is disclosed in detail in the financial statements of the parent company, Lock Topco Limited.

### Future Developments

The planned future developments of the business of the company's subsidiaries are disclosed in detail in the financial statements of the parent company, Lock Topco Limited.

### Results

The loss for the year, after taxation, amounted to £10,399,000 (2019: £9,141,000).

### Key Performance Indicators

Given the nature of the Company as an intermediate parent company, the directors do not consider further key performance indicators to be relevant. A review of the business & key performance indicators of the company's subsidiaries is disclosed in detail in the financial statements of the parent company, Lock Topco Limited.

### Section 172 statement

As above, Lock Midco 1 is an intermediate parent company and does not perform a trade. Therefore, the company does not have any employees, customers or suppliers. However, as part of the MVF Group, it follows the values and operating principles of the Group.

The MVF Group is a values-led organisation and we expect everyone in the business, from new starter to board executive, to earn trust, inspire positivity and help others succeed. As such, the directors of the Company have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Making decisions in the long-term interests of the business while considering the impact on all stakeholders is not simple but the Group endeavours to consider a broad range of views and interests by engaging with representatives from across the business regularly and ensuring there is thorough and regular reporting covering financial and operational performance, non-financial KPIs, risk and ESG matters.

As is usual for a business of this size, authority for day to day running of the company is delegated to managers with regular and transparent reporting provided to the board in the form of papers, presentations and meetings.

MVF Group has a 'Business Conduct Committee' comprising several Executive Board members as well as representatives from relevant departments such as legal and PR, which is responsible for ensuring all of the business's actions are in the best interests of our stakeholders and in accordance with our 7 Business Conduct Principles.

## Strategic Report (continued)

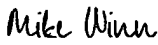
### Section 172 statement (continued)

These principles are as follows:

1. Promote products and services that bring value to consumers and businesses, and provide our clients with informed and engaged customers
2. Be positive, truthful and fair in all our dealings with our users, clients, and other stakeholders
3. Partner with businesses that share our values and standards, and treat their customers and other stakeholders fairly and with respect
4. Produce content that is decent, honest and transparent, and provide accurate information that will enhance our users' experience
5. Respect and safeguard people's data and privacy
6. Positively foster the reputation of our business, MVFers, clients, customers, suppliers and other stakeholders
7. Prioritise our Business Conduct Principles over short-term gains, and quickly acknowledge and correct our actions where we have failed to meet our standards

Relevant stakeholders are invited to join the committee meetings so that they can advocate for their interests and we are constantly reviewing who is invited to the sessions to ensure we are considering the interests of all relevant groups. For transparency, every decision made within the BCC is conveyed to the wider business in the form of a report published following the session.

By order of the board

DocuSigned by:  
  
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**Michael Winn**  
Director

Arches 68 to 71 Unit 3  
Wilkin Street  
London  
NW5 3NL

Date: 21/1/2021

## Directors' report

### Proposed dividend

The directors do not recommend the payment of a dividend (2019: £nil).

### Going concern

The financial statements have been prepared on the going concern basis. The directors believe the going concern basis is appropriate because the Company's immediate and ultimate parent company, Lock Topco Limited, has undertaken that it will, for at least 12 months from the date of the approval of these financial statements, ensure that the Group makes available such funds as are needed by the company. The direct impact on Covid-19 on the Company is limited since it has no trade. The impact of Covid-19 to the Group is discussed within the financial statements of Lock Topco Limited, which also continue to be prepared on a going concern basis.

### Events after the balance sheet date

On 18 December 2020, the Group agreed a new bank loan facility of £28.4m, used alongside the Group's existing cash balances, to redeem c.£40m of Loan Notes in order to achieve a lower cost of capital and drive improved shareholder value as the group grows. The facility includes a Revolving Credit Facility of £2m and up to £50m in further facilities to either finance acquisitions or further Loan Note redemptions within a six month period post closing. The facility has a maturity date in 2027.

### Directors

The directors who held office during the year were as follows:

J Hopkinson  
T Morgan  
T Sharpe  
M Teixeira  
M Winn (appointed 3 November 2020)

### Political contributions

The Company made no political donations or incurred any political expenditure during the year (2019: £nil).

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

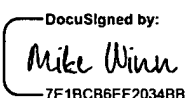
### Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 1 to 2.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

DocuSigned by:  
  
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**Michael Winn**  
Director

Arches 68 to 71 Unit 3  
Wilkin Street  
London  
NW5 3NL

Date: 21/1/2021

## **Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



## **Independent auditor's report to the members of Lock Midco 1 Limited**

### **Opinion**

We have audited the financial statements of Lock Midco 1 Limited ("the Company") for the year ended 31 March 2020 which comprise the Statement of Income and Retained Earnings, Balance Sheet, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



## **Independent auditor's report to the members of Lock Midco 1 Limited (*continued*)**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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

**Mark Prince (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

Date: 26/01/2021



**Statement of Income and Retained Earnings**  
*for the year ended 31 March 2020*

		Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
	<i>Notes</i>		
Administrative expenses		(13)	(6)
Interest payable and similar charges	2	(10,736)	(9,485)
<b>Loss before taxation</b>		<b>(10,749)</b>	<b>(9,491)</b>
Tax credit on loss	4	350	350
<b>Loss for the financial year</b>		<b>(10,399)</b>	<b>(9,141)</b>
<b>Retained earnings brought forward</b>		<b>(31,994)</b>	<b>(22,853)</b>
<b>Retained earnings carried forward</b>		<b>(42,393)</b>	<b>(31,994)</b>

There was no other comprehensive income in the current financial year, or the previous period, other than those disclosed above and therefore no separate statement of comprehensive income has been presented.

All results are derived from continuing operations.

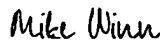
The notes on pages 9 to 15 form part of these financial statements.

**Balance Sheet**  
*at 31 March 2020*

	<i>Note</i>	<b>2020</b> <b>£000</b>	<b>2020</b> <b>£000</b>	2019 £000	2019 £000
<b>Fixed assets</b>					
Investments	6		139		139
<b>Current assets</b>					
Debtors: amounts falling due within one year	7	58,635		58,285	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	8	(632)		(567)	
<b>Net current assets</b>			<b>58,003</b>		<b>57,718</b>
<b>Total assets less current liabilities</b>			<b>58,142</b>		<b>57,857</b>
Creditors: amounts falling due after more than one year	9		(100,360)		(89,676)
<b>Net liabilities</b>			<b>(42,218)</b>		<b>(31,819)</b>
<b>Capital and reserves</b>					
Called up share capital	11		175		175
Profit and loss account			(42,393)		(31,994)
<b>Shareholder's deficit</b>			<b>(42,218)</b>		<b>(31,819)</b>

The notes on pages 9 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on 21 January 2021 and were signed on its behalf by:

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**Michael Winn**  
Director

Company registered number: 09175994

## Notes

### *(forming part of the financial statements)*

#### 1 Accounting policies

Lock Midco 1 Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The company has taken advantage of the exemption under FRS102.33.1A and will not disclose transactions between wholly owned subsidiaries and their parents.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“*FRS 102*”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s ultimate parent undertaking, Lock Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Lock Topco Limited are available to the public and may be obtained from Arches 68 to 71 Unit 3, Wilkin Street, London, NW5 3NL. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Lock Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

##### **1.1 Measurement convention**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

##### **1.2 Going concern**

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £42,218,000 (2019: £31,819,000). The company is dependent on Lock Topco Limited, its ultimate parent company, continuing to provide financial support. Lock Topco Limited has indicated its intention to continue to make available such funds as are needed by the company for the period of 12 months from the date of approval of these financial statements. This should enable the Company to meet its liabilities as they fall due for payment and continue to operate for at least 12 months from approval of 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.

At a Group level, the consolidated Lock Topco Limited financial statements show a net liability position of £36,177,000 at 31 March 2020 (2019: £27,362,000) due to shareholder loans (and accrued interest thereon) of £100,360,000 (2019: £89,676,000) repayable in 2023, however the Group has cash balances of £30,619,000 (2019: £19,996,000) and net current assets of £32,006,000 (2019: £23,745,000), as well as a Revolving Credit Facility of £1,350,000 (2019: £1,350,000) if required. Since the balance sheet date, the Group has agreed a new bank loan facility with a revised Revolving Credit Facility, see Note 14, which it has used to repay the Group’s existing bank loan facility and partially redeem the shareholder loan notes. This results in the Group having access to a total revolving credit facility of £2,000,000 and a cash balance of £17,078,000 as at 31 December 2020.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.2 Going Concern (continued)

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Lock Topco Limited group will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate. The consolidated financial statements for Lock Topco Limited have also been prepared on the going concern basis.

#### 1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### 1.4 Basic financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

## Notes (continued)

### 1.4 Basic financial instruments (continued)

#### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### *Investments in subsidiaries*

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

### 1.5 Expenses

#### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable on shareholder loans recognised in profit or loss using the effective interest method.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which 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 not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## 2 Interest payable and similar charges

	Year ended 31 Mar 2020 £000	Year ended 31 Mar 2019 £000
On shareholder loans	10,736	9,485

## 3 Directors' and auditor's remuneration

The directors' duties as directors of the Company are incidental to their employment with Marketing VF Limited. As such, the directors do not receive remuneration in respect of their role as directors of the Company. The amount attributable for services provided to the Company in the year is £nil (2019: £nil).

Auditor's remuneration in the current and comparative year was paid by Marketing VF Limited. The expense is included in the Profit and Loss and Other Comprehensive Income Statement of Marketing VF Limited.

## Notes (continued)

### 4 Taxation

#### Analysis of charge in year

	Year ended 31 Mar 2020 £000	Year ended 31 Mar 2019 £000
<i>Current tax</i>		
Current tax on loss for the year	-	-
	<hr/>	<hr/>
Total current tax	-	-
<i>Deferred tax</i>		
Origination/reversal of timing differences	(350)	(350)
	<hr/>	<hr/>
Total deferred tax	(350)	(350)
	<hr/>	<hr/>
Tax credit on loss	(350)	(350)

#### Factors affecting the tax charge for the current year

The tax charge for the year is higher (2019: higher) to the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below.

	Year ended 31 Mar 2020 £000	Year ended 31 Mar 2019 £000
<i>Reconciliation of effective tax rate</i>		
Loss before tax	(10,749)	(9,491)
	<hr/>	<hr/>
Current tax at 19% (2019: 19%)	(2,042)	(1,803)
<i>Effects of:</i>		
Disallowable interest	1,427	1,181
Group relief	265	272
	<hr/>	<hr/>
Tax credit for the year	(350)	(350)
	<hr/>	<hr/>

#### Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget, it was announced that the UK tax rate will remain at 19% and not reduce to 17% from 1 April 2020 and this change was substantively enacted on 17 March 2020. The deferred tax asset at 31 March 2020 has been calculated at a rate of 19% (2019: 19%).

### 5 Deferred tax asset

	2020 £000	2019 £000
Asset at start of year	1,442	1,092
Deferred tax credit in the profit and loss account for the year	350	350
	<hr/>	<hr/>
Asset at end of year	1,792	1,442
	<hr/>	<hr/>
Deferred tax assets are attributable to the following:		
	2020 £000	2019 £000
Short term timing differences relating to loan note interest	1,792	1,442
	<hr/>	<hr/>

## Notes (continued)

### 6 Fixed asset investments

	Shares in subsidiary undertakings £000
<i>Cost at start and end of the year</i>	139
<i>Net book value</i>	139
At 31 March 2019 and at 31 March 2020	

The companies in which the Company's interest at the period-end is more than 20% are as follows:

	Country of incorporation	Principal activity	Percentage of shares held
<i>Subsidiary undertakings</i>			
Lock Midco 2 Limited	United Kingdom	Holding company	100%
Lock Bidco Limited*	United Kingdom	Holding company	100%
Marketing VF Limited*	United Kingdom	Digital marketing and publishing	100%
MVF US LLC*	USA	Sales services	100%
Think Ahead Advice Limited*	United Kingdom	Inactive	100%

The registered office for MVF US LLC is 801 Barton Springs Road Austin TX 78704. The registered office for Think Ahead Advice Limited is Imperial Works, Perren Street, London, England, NW5 3ED. The registered office for all the other investments listed above is Arches 68 to 71 Unit 3, Wilkin Street, London, NW5 3NL.

\*These investments are held indirectly via shareholding in Lock Midco 2 Limited.

### 7 Debtors: amounts falling due within one year

	2020 £000	2019 £000
Amounts owed by group undertakings	56,843	56,843
Deferred tax asset (see note 5)	1,792	1,442
	<u>58,635</u>	<u>58,285</u>

Amounts owed by group undertakings are repayable on demand and no interest is charged on these amounts.

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

	2020 £000	2019 £000
Amounts owed to group undertakings	632	567

Amounts owed to group undertakings are repayable on demand and no interest is charged on these amounts.

## Notes (continued)

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

	2020 £000	2019 £000
Shareholder loans (see note 10)	100,360	89,676

### 10 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2020 £000	2019 £000
Creditors falling due more than one year		
Shareholder loans	100,360	89,676

Shareholder loans consist of 12% unsecured redeemable A, B and C loan notes with a value including accrued interest of £100,360,000 (2019: £89,676,000). During the year the Company satisfied its obligation in respect of accrued interest on the loan notes due to entities advised by Bridgepoint Advisers II Limited of £4,647,000 (2019: £4,047,000) by issuing PIK notes of £4,647,000 (2019: £4,047,000) to these entities. Total PIK notes in issue at 31 March 2020 were £19,033,000 (2019: £14,387,000).

The loan notes are repayable on 16 February 2023, with interest accrued annually and, if unpaid, rolled up. Shareholder loans are net of arrangement fees of £164,000 (2019: £209,000), which are being amortised over the life of the loans on the effective yield basis. The notes rank and are repayable in the following order:

£27,048,000 - 12 per cent unsecured redeemable preferred A loan notes 2023

£25,996,000 - 12 per cent unsecured redeemable subordinated B loan notes 2023

£3,760,000 - 12 per cent unsecured redeemable subordinated C loan notes 2023

The Company's A & B loan notes, including all related PIK notes, are listed on the Channel Islands Securities Exchange.

### 11 Called up share capital

	2020 £000	2019 £000
<i>Allotted, called up and fully paid</i>		
175,483 (2019: 175,483) Ordinary shares of £1 each	175	175



## Notes (continued)

### 12 Commitments

There were no capital commitments at the end of the financial year.

### 13 Related parties

#### *Related party transactions with key management personnel*

All directors have authority and responsibility for planning, directing and controlling the activities of the Group and are considered to be related parties of the Company.

Key management personnel hold loan notes in the Company. The total value of loan notes including cumulative interest outstanding at 31 March 2020 is £100,360,000 (2019: £89,676,000), of which the amounts owing to key management personnel are principal of £21,822,000 (2019: £21,822,000) and accrued interest of £17,131,000 (2019: £12,949,000).

#### *Related party transactions with minority shareholder of Group holding company*

Entities advised by Bridgepoint Advisers II Limited which hold a minority shareholding in the Group Holding Company also hold loan notes in the Company with a principal value of £43,279,000 (2019: £38,633,000) and accrued interest of £nil at 31 March 2020 (2019: £nil). During the year the Company satisfied its obligation in respect of accrued interest on the loan notes due to entities advised by Bridgepoint Advisers II Limited of £4,647,000 (2019: £4,047,000) by issuing PIK notes of £4,647,000 (2019: £4,047,000) to these entities.

#### *Ultimate controlling party*

The Company is 100% owned by Lock Topco Limited, registered in the United Kingdom, which is the ultimate controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by Lock Topco Limited, incorporated in United Kingdom. The consolidated financial statements of Lock Topco Limited are available to the public and may be obtained from Arches 68 to 71 Unit 3, Wilkin Street, London, NW5 3NL.

### 14 Events after the reporting period

On 18 December 2020, the Group agreed a new bank loan facility of £28,400,000, used alongside the Group's existing cash balances, to redeem £39,112,000 of Loan Notes in order to achieve a lower cost of capital and drive improved shareholder value as the group grows. The facility includes a Revolving Credit Facility of £2,000,000 and up to £50,000,000 in further facilities to either finance acquisitions or further Loan Note redemptions within a six month period post closing. The facility has a maturity date in 2027.