

Lock Midco 1 Limited

**Annual report and financial
statements**

For the year ended 31 March 2021

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 2021.

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 (the "MVF Group").

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 £10,384,000 (2020: £10,399,000).

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 Limited 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, MVF²ers, 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



Michael Winn
Director

4 October 2021

1st & 2nd Floors
Wenlock Works
1a Shepherdess Walk
London, England
N1 7QE

Directors' report

The directors present their Directors' report and financial statements for the year ended 31 March 2021.

Proposed dividend

The directors do not recommend the payment of a dividend (2020: £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. The facility included 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. On 18 June 2021 the Group drew down £35m of the additional facility which was used to redeem a further c.£35m of Loan Notes, with the remaining £15m of the overall facility lapsing. The facility has a maturity date in 2027.

Directors

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

M Teixeira
M Winn (appointed 3 November 2020)
D Tobin (appointed on 9 February 2021)
A Harkness (appointed on 9 February 2021)
J Hopkinson (resigned on 26 March 2021)
T Morgan (resigned on 26 March 2021)
T Sharpe (resigned on 26 March 2021)

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2020: £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



Michael Winn
Director

4 October 2021

1st & 2nd Floors
Wenlock Works
1a Shepherdess Walk
London, England
N1 7QE

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 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the 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 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Lock

Opinion

We have audited the financial statements of Lock Midco 1 Limited ("the company") for the year ended 31 March 2021 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and 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 2021 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Marketing VF Limited's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

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

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the 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 the 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.

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.

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

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.

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: 7 October 2021

Statement of Income and Retained Earnings
for the year ended 31 March 2021

	<i>Notes</i>	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Administrative income/(expenses)		3	(13)
Interest payable and similar charges	2	(10,640)	(10,736)
Loss before taxation		(10,637)	(10,749)
Tax credit on loss	4	253	350
Loss for the financial year		(10,384)	(10,399)
Retained earnings brought forward		(42,393)	(31,994)
Retained earnings carried forward		(52,777)	(42,393)

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 10 to 16 form part of these financial statements.

Balance Sheet
at 31 March 2021

	<i>Note</i>	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Investments	6		139		139
Current assets					
Debtors: amounts falling due within one year	7	16,523		58,635	
Current liabilities					
Creditors: amounts falling due within one year	8	(677)		(632)	
Net current assets			15,846		58,003
Total assets less current liabilities			15,985		58,142
Creditors: amounts falling due after more than one year	9		(68,587)		(100,360)
Net liabilities			(52,602)		(42,218)
Capital and reserves					
Called up share capital	11		175		175
Profit and loss account			(52,777)		(42,393)
Shareholder's deficit			(52,602)		(42,218)

The notes on pages 10 to 16 form part of these financial statements.

These financial statements were approved by the board of directors on 4 October 2021

and were signed on its behalf by:



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 1st & 2nd Floors, Wenlock Works, 1a Shepherdess Walk, London, England, N1 7QE. 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 £52,602,000 (2020: £42,218,000). 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 £47,021,000 at 31 March 2021 (2020: £36,177,000) due to shareholder loans (and accrued interest thereon) of £68,587,000 (2020: £100,360,000). During the year the Group agreed a new bank loan facility in order to achieve a lower cost of capital and drive improved shareholder value as the group grows. The Group drew down £28.4m from this facility which it used alongside existing cash balances to redeem c.£42m of Loan Notes and c.£9m of existing bank. After the balance sheet date, the Group drew down a further £35m from this facility which was used to redeem a further c.£35m of Loan Notes that were not formally repayable until 2023 in June 2021. The new bank facility has a maturity date in 2027. The Group also has access to a Revolving Credit Facility of £2,000,000 (2020: £1,350,000) if required. The Group had cash balances of £11,314,000 (2020: £30,619,000) at the reporting date.

Notes (continued)

1 Accounting policies (continued)

1.2 Going Concern (continued)

The Board's forecasts take into account their view on the expected effect of the Covid-19 crisis on the business, including severe downside scenarios, including an assumed decrease of 30% in EBITDA, and these indicate that the Group will continue to generate cash to meet its obligations as they become due and there is significant headroom on its financial covenants in relation to its bank loans.

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 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.

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.

Notes (continued)

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 2021 £000	Year ended 31 Mar 2020 £000
On shareholder loans	10,640	10,736

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 (2020: £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 2021 £000	Year ended 31 Mar 2020 £000
<i>Current tax</i>		
Current tax on loss for the year	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination/reversal of timing differences	(253)	(350)
Total deferred tax	(253)	(350)
Tax credit on loss	(253)	(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% (2020: 19%). The differences are explained below.

	Year ended 31 Mar 2021 £000	Year ended 31 Mar 2020 £000
<i>Reconciliation of effective tax rate</i>		
Loss before tax	(10,637)	(10,749)
Current tax at 19% (2020: 19%)	(2,021)	(2,042)
<i>Effects of:</i>		
Disallowable interest	1,659	1,427
Group relief	109	265
Tax credit for the year	(253)	(350)

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 2021 has been calculated at a rate of 19% (2020: 19%).

5 Deferred tax asset

	2021 £000	2020 £000
Asset at start of year	1,792	1,442
Deferred tax credit in the profit and loss account for the year	253	350
Asset at end of year	2,045	1,792
Deferred tax assets are attributable to the following:		
	2021 £000	2020 £000
Short term timing differences relating to loan note interest	2,045	1,792

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 2021 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%
Software Vergelijken B.V.*	Netherlands	Digital marketing and publishing	100%
Think Ahead Advice Limited*	United Kingdom	Inactive	100%

The registered office for MVF US LLC is 220 South Congress Avenue, Suite 010 Austin Texas 78704, United States. The registered office for Think Ahead Advice Limited is Imperial Works, Perren Street, London, England, NW5 3ED. The registered office for Software Vergelijken B.V is Heresingel 4b, 9711 ES Groningen, Netherlands. The registered office for all other investments is 1st & 2nd Floors, Wenlock Works, 1a Shepherdess Walk, London, England, N1 7QE.

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

7 Debtors: amounts falling due within one year

	2021 £000	2020 £000
Amounts owed by group undertakings	14,478	56,843
Deferred tax asset (see note 5)	2,045	1,792
	<u>16,523</u>	<u>58,635</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

	2021 £000	2020 £000
Amounts owed to group undertakings	677	632

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

	2021 £000	2020 £000
Shareholder loans (see note 10)	68,587	100,360

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.

	2021 £000	2020 £000
Creditors falling due more than one year		
Shareholder loans	68,587	100,360

Shareholder loans consist of 12% unsecured redeemable A, B and C loan notes with a value including accrued interest of £68,587,000 (2020: £100,360,000). 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 £4,365,000 (2020: £4,647,000) by issuing PIK notes of £4,365,000 (2020: £4,647,000) to these entities. Total PIK notes in issue at 31 March 2021 were £23,399,000 (2020: £19,033,000). During the year, principal of £42,091,000 and interest of £322,000 was repaid to loan note holders.

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 £87,000 (2020: £164,000), 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:

£865,000 - 12 per cent unsecured redeemable preferred A loan notes 2023

£13,068,000 - 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

	2021 £000	2020 £000
<i>Allotted, called up and fully paid</i>		
175,483 (2020: 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 2021 is £68,587,000 (2020: £100,360,000), of which the amounts owing to key management personnel are principal of £10,503,000 (2020: £21,822,000) and accrued interest of £21,408,000 (2020: £17,131,000). During the year, loan note principal of £12,344,000 was repaid to key management personnel.

Related party transactions with minority shareholder of Group holding company

Entities advised by Bridgepoint Advisers II Limited which hold a minority shareholding in the Company also hold loan notes in the Group with a principal value of £23,741,000 (2020: £43,279,000) and accrued interest of £nil at 31 March 2021 (2020: £nil). During the year the Group repaid loan note principal of £23,904,000 and satisfied its obligation in respect of accrued interest on the loan notes due to entities advised by Bridgepoint Advisers II Limited of £4,365,000 (2020: £4,647,000) by issuing PIK notes of £4,365,000 (2020: £4,647,000) 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 1st & 2nd Floors, Wenlock Works, 1a Shepherdess Walk, London, England, N1 7QE.

14 Events after the reporting period

On 18 December 2020, the Group agreed a new bank loan facility of £28.4m. The facility included 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. On 18 June 2021 the Group drew down £35m of the additional facility which will be used to redeem a further c.£35m of Loan Notes and related interest, with the remaining £15m of the overall facility lapsing. The facility has a maturity date in 2027.