

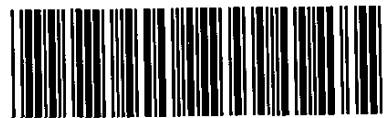
Registered number: 11211053

IBMG MIDCO LIMITED

UNAUDITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

THURSDAY



ACIUP8DT

A15

21/12/2023

#151

COMPANIES HOUSE

IBMG MIDCO LIMITED

CONTENTS

	Page
Company Information	1
Strategic Report	2
Directors' Report	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Notes to the financial statements	8

IBMG MIDCO LIMITED

COMPANY INFORMATION

Directors

A Pittingale
R P Robinson

Company number

11211053

Registered office

Unit J1 Franklin House Chaucer Business Park
Dittons Road
Polegate
East Sussex
BN26 6JF

IBMG MIDCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the Strategic Report of IBMG Midco Limited (the "Company") for the year ended 31 December 2022.

Business review and future developments

IBMG Midco Limited is an intermediate holding and financing company, part of the Turbo Acquisitions 10 Topco Limited Group (the "Group"). The result for the financial year is in line with the directors expectations.

Principal risks and uncertainties

Given the nature of the Company's business, the principal risks and uncertainties are financial risks and the policies and actions put in place to mitigate these risks are set out below.

Financial risk

The financial risks faced by the business are credit, liquidity and interest rate risk.

Credit risk

The credit risk is in respect of intercompany debtors. The directors closely monitor the liquidity positions of other group companies to enable optimum monitoring of intercompany indebtedness amounts, and potential movements and recoverability.

Liquidity risk

The Company is financed by long term debt finance. The level of available funds is measured on a regular basis to ensure that sufficient funds are available for the Company's operations.

The Company manages this risk by obtaining assurances from other group companies that they will not seek repayment of amounts due by the Company and that the Group will provide financial support if required. The Company is financed by loan notes which have a fixed repayment date and interest incurred is capitalised annually into outstanding total debt. The level of available funds is measured at a Group level on a regular basis.

Interest rate risk

The Company's long term debt finance is at a fixed rate to give the Company certainty over future interest expense levels.

Financial key performance indicators

The Company is an intermediate holding and financing company as such, there are no KPI's used to monitor the performance of the Company. The KPI's of the Group are included in the accounts of Turbo Acquisitions 10 Topco Limited.

IBMG MIDCO LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of directors' duties to stakeholders

The directors of the Company have a duty to promote the success of the Company. A director of the Company must act in the way they consider, in good faith, to promote the success of the Company for the benefit of its members, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
 - the need to foster the Company's business relationships with lenders and others;
 - the impact of the Company's operation on the community and environment;
 - the desirability of the Company to maintain a reputation for high standards of business conduct; and
 - the need to act fairly between members of the Company.
- (the Section 172 matters)

The directors of the Company have sought to balance the needs of its members with the section 172 matters throughout the year, in the policies and practices which run through the Company, ensuring that the Company's reputation for high standards of conduct are maintained and included within the engagement with all stakeholders.

The directors of the Company have a duty to promote the success of the Company, and it relies on smooth operations, and the support and joint effort of stakeholders. Thus, effective communication and interaction are indispensable in the Company's business operations and the directors place a high degree of importance on investigating, analysing and responding to all stakeholder concerns.

The directors have identified lenders and shareholders as the Company's most important stakeholders and *continue to keep in touch with these and other stakeholders to ensure that appropriate levels of communication are maintained.*

Engagement with shareholders, lenders and others in a business relationship with the Company

Lenders and shareholders

The directors interface regularly with the Company's Holding Company, Turbo Acquisitions 10 Topco Limited, with the private equity fund who have invested in the Group's strategy and with other lenders regarding the part that the Company plays within the wider group. A key point in this interface is ensuring that funds are available to meet financial commitments as they fall due.

Other stakeholders

Sound governance and an ethical corporate culture are important to the Company. As well as ensuring that all taxes are paid in accordance with the various regulations and guidelines currently in force, the Company is constantly mindful of its duties pursuant to environmental, recycling, anti-bribery, anti-corruption and anti-money laundering legislation when dealing with stakeholders.

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

R P Robinson
Director



Date:

20/9/2023

IBMG MIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and the unaudited financial statements of IBMG Midco Limited (the "Company") for the year ended 31 December 2022.

Principal activities

The principal activity of the Company is that of an intermediate holding and financing company. The directors intend to continue with this current principal activity.

Results and dividends

The loss for the financial year amounted to £5,325,102 (2021: profit £107,503,803).

The dividends paid during the financial year was £Nil (2021: £Nil). No final dividend is proposed.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

A Pittingale
R P Robinson

Going concern

The Turbo Acquisitions 10 Topco group, which includes the Company, is funded through a combination of shareholder capital, long term loan notes, long term external loan financing and a revolving credit facility. On a regular basis, the Group prepares detailed cash flow forecasts and monitors its cash position and compliance with covenants placed on the Group as a result of its external financing.

The directors are satisfied that, having reviewed the budgets and forecasts, including reasonable downside scenarios, and having considered ongoing shareholder/group support and available facilities, the Company can meet its liabilities as they fall due for a minimum of 12 months from the date of approval of this annual report and financial statements. As such, the directors have prepared the financial statements on a going concern basis.


Matters covered in the strategic report

The Company has chosen to set out in the Company's strategic report certain information that is required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. This is in accordance with the Companies Act 2006, Section 414C (11). The matters dealt with in the Strategic report include director's duties to stakeholders, financial instrument risk and future developments.

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

R P Robinson
Director

Date:


20/9/2023

IBMG MIDCO LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Administrative expenses		(13)	(200)
Operating loss		(13)	(200)
Gain on disposal of investments	5	–	112,194,540
Interest receivable and similar income	6	–	237,182
Interest payable and similar expense	7	(5,325,089)	(4,927,719)
(Loss)/profit before taxation		(5,325,102)	107,503,803
Tax on (loss)/profit	8	–	–
(Loss)/profit for the financial year		(5,325,102)	107,503,803

The notes on pages 8 to 14 form part of these financial statements.

IBMG MIDCO LIMITED
REGISTERED NUMBER: 11211053
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Current assets			
Debtors	9	144,260,325	144,260,350
Creditors: amounts falling due within one year	10	(11,218,399)	(11,218,412)
Net current assets		133,041,926	133,041,938
Total assets less current liabilities		133,041,926	133,041,938
Creditors: amounts falling due after more than one year	11	(39,927,275)	(34,602,185)
Net assets		93,114,651	98,439,753
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	93,114,649	98,439,751
Total shareholders' funds		93,114,651	98,439,753

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 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 financial statements on pages 5 to 14 were approved by the Board of Directors on 20th Sept 2023 and signed on its behalf by:

R P Robinson
 Director



The notes on pages 8 to 14 form part of these financial statements.

IBMG MIDCO LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 January 2021	2	(9,064,052)	(9,064,050)
Comprehensive income for the financial year			
Profit for the financial year	–	107,503,803	107,503,803
Total comprehensive income for the financial year	–	107,503,803	107,503,803
At 31 December 2021 and 1 January 2022	2	98,439,751	98,439,753
Comprehensive expense for the financial year			
Loss for the financial year	–	(5,325,102)	(5,325,102)
Total comprehensive expense for the financial year	–	(5,325,102)	(5,325,102)
At 31 December 2022	2	93,114,649	93,114,651

The notes on pages 8 to 14 form part of these financial statements.

IBMG MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 General information

IBMG Midco Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Unit J1 Franklin House Chaucer Business Park, Dittons Road, Polegate, BN26 6JF.

The Company's principal activities and nature of its operations are disclosed in the Directors' Report.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The financial statements are prepared in GBP, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Turbo Acquisitions 10 Topco Limited as at 31 December 2022 and these financial statements may be obtained from its registered office, Unit 2, Mill End Road, High Wycombe, Buckinghamshire, HP12 4AX.

IBMG MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies (continued)

2.3 Going concern

The Turbo Acquisitions 10 Topco group, which includes the Company, is funded through a combination of shareholder capital, long term loan notes, long term external loan financing and a revolving credit facility. On a regular basis, the Group prepares detailed cash flow forecasts and monitors its cash position and compliance with covenants placed on the Group as a result of its external financing.

The directors are satisfied that, having reviewed the budgets and forecasts, including reasonable downside scenarios, and having considered ongoing shareholder/group support and available facilities, the Company can meet its liabilities as they fall due for a minimum of 12 months from the date of approval of this annual report and financial statements. As such, the directors have prepared the financial statements on a going concern basis.

2.4 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.5 Current and deferred taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

IBMG MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies (continued)

2.6 Borrowing costs

Interest costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred. Finance acquisition and issue costs are transferred to the Statement of Comprehensive Income, where they are included within the interest charge incurred in respect of the associated borrowing, at a constant rate over the repayment period.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

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

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Equity instruments

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

IBMG MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Judgements in applying accounting policies and key sources of 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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.

Key sources of estimation uncertainty

The directors on reviewing estimates and assumptions do not consider it reasonable that possible changes in estimation will cause a material adjustment to the carrying amount of the Company's assets and liabilities. The following items are areas of estimation uncertainty where the directors are required to make assumptions as to the carrying amount of assets and liabilities and are included for informational purposes.

Amounts due to/from other group companies

The directors review the recoverability of amounts due from other group companies with the directors of the relevant companies on a regular basis. In the directors' opinion, at the period end there are no indicators of impairment and, therefore, no impairment is required.

4 Employees

The Company has no employees other than the directors, who did not receive any remuneration in respect of services to this Company. Consequently, the average number of employees for the year is Nil (2021: Nil).

5 Gain on disposal of investments

	2022	2021
	£	£
Gain on disposal of subsidiary company	–	112,194,540

On 14 September 2021 the Company sold its subsidiary company, Independent Builders Merchant Group Limited to fellow subsidiary Turbo Acquisitions 10 Bidco Limited as part of a group restructuring exercise.

6 Interest receivable and similar income

	2022	2021
	£	£
Loan notes - Independent Builders Merchant Group Limited	–	237,182

IBMG MIDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Interest payable and similar expenses

	2022	2021
	£	£
Loan notes - Turbo Acquisitions 10 Midco Limited	5,325,089	1,449,501
Loan notes - Cairngorm Capital Partners I LP	–	2,716,118
Loan notes - Cairngorm Capital Partners II LP	–	524,918
Loan notes - Other	–	237,182
	5,325,089	4,927,719

8 Tax on (loss)/profit

	2022	2021
	£	£
Corporation tax		
Current tax on (loss)/profit for the year	–	–
Total current tax	–	–

Factors affecting the tax charge for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£	£
(Loss)/profit before taxation	(5,325,102)	107,503,803
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,011,769)	20,425,723
Effects of:		
Income not taxable in determining taxable profit	–	(21,316,963)
Expenses not deductible for tax purposes	–	615,835
Group relief	1,011,769	275,405
Total tax charge for the financial year	–	–

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

IBMG MIDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

9 Debtors

	2022	2021
	£	£
Amounts owed by group undertakings	144,260,325	144,260,350

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

10 Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed to group undertakings	11,218,399	11,218,412

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

11 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Loan notes - group undertakings	37,199,283	33,274,695
Accrued interest	2,812,877	1,449,500
	40,012,160	34,724,195
Unamortised fees	(84,885)	(122,010)
	39,927,275	34,602,185

Interest payable on the Loan notes to Turbo Acquisitions 10 Midco Limited is at 15%. Interest is compounded annually on 30 June each year, with new Loan notes at the same interest rate being issued. Unless certain business conditions are fulfilled, all Turbo Acquisition 10 Midco Limited Loan notes, including those issued covering annual interest, are repayable in March 2025.

The Loan notes are net of unamortised fees incurred in the negotiation of the original Loan note deed, documents and terms. The fees are being amortised to the Statement of Comprehensive Income over the period of the Loan notes.

12 Called up share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
2 (2021: 2) Ordinary shares of £1 (2021: £1) each	2	2

IBMG MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

14 Related party transactions

The Company has taken advantage of exemption, under the terms of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the Group.

15 Ultimate parent undertaking and controlling party

The immediate parent undertaking is IBMG Topco Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Turbo Acquisitions 10 Topco Limited, a company registered in England and Wales, whose ultimate controlling entity is Cairngorm Capital Partners III LP, a fund advised by Cairngorm Capital Partners LLP.

The consolidated accounts of Turbo Acquisitions 10 Topco Limited, in which this Company is included, are available to the public and can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. This is the largest and smallest group of undertakings for which group financial statements, including the results of the Company, are produced.