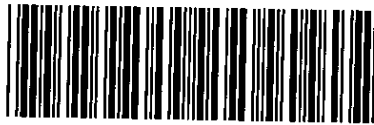


Registered number: 11647415

Project 131 Midco 1 Limited
Unaudited Annual Report and Financial Statements
For the year ended 31 December 2020

WEDNESDAY



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27/10/2021
COMPANIES HOUSE

Directors' report

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

Principal Activity

The principal activity of the company is that of a holding company.

Directors

The directors who served the company during the period and up to the date of this report were as follows:

Lawrence Jones (resigned on 6 May 2020)

Gail Jones (resigned on 6 May 2020)

Catherine Greening

Irina Hemmers (resigned 28 July 2021)

Andrew Wigglesworth (appointed 28 July 2021)

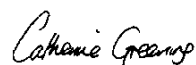
Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors and directors of its subsidiaries which were made during the period and remain in force at the date of this report.

Going concern

The Group has sufficient financial resources, together with contracts with a large number of customers across different industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully. Whilst there is uncertainty due to the COVID-19 pandemic, the directors have undertaken a rigorous assessment on the potential impact on profitability and liquidity of the Group, as documented in the strategic report of the financial statements of Project Mountain Holdco Limited (the largest and smallest group in which these financial statements are consolidated). The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Approved by the Board on 29 September 2021 and signed on its behalf by:



Catherine Greening
Director

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Project 131 Midco 1 Limited

Statement of total comprehensive income

For the year ended 31 December 2020

		2020	2019
	Note	£000	£000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(3)	-
Operating profit		(3)	-
Interest receivable	2	10,560	12,322
Interest payable and similar expenses	3	(10,851)	(13,048)
Loss before taxation		(294)	(726)
Taxation	4	-	-
Loss for the financial period		(294)	(726)

All activities of the company are continuing.

The company has no recognised gains or losses other than the loss for the financial period as shown above.

Project 131 Midco 1 Limited

Balance sheet

As at 31 December 2020

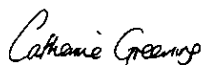
	<i>Notes</i>	<i>2020</i> <i>£000</i>	<i>2019</i> <i>£000</i>
<i>Fixed assets</i>			
Investments	5	-	-
<i>Current assets</i>			
Debtors	6	299,374	328,368
<i>Creditors: amounts falling due within one year</i>	7	(220,581)	(220,575)
<i>Net current assets</i>		78,793	107,793
<i>Total assets less current liabilities</i>		78,793	107,793
<i>Creditors: amounts falling due after more than one year</i>	8	(79,814)	(108,519)
<i>Net liabilities</i>		(1,021)	(726)
<i>Capital and reserves</i>			
Called up share capital	9	-	-
Profit and loss account		(1,021)	(726)
<i>Shareholders' funds</i>		(1,021)	(726)

For the financial period ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Under this section, UKFast Group Limited provides a parent guarantee for the company over its outstanding liabilities.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

The financial statements of Project 131 Midco 1 Limited (registered number 11647415) were approved by the board of directors and authorised for issue on 29 September 2021. They were signed on its behalf by:



Catherine Greening
Director

Notes to the financial statements

As at 31 December 2020

Notes to the financial statements

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current financial period. These financial statements present the company's financial results and position for the year ended 31 December 2020. The 2019 figures represent the period 29 October 2018 to 31 December 2019 and are therefore not directly comparable.

General information and basis of accounting

Project 131 Midco 1 Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is located at 1 Archway, Birley Fields, Manchester, M15 5QJ.

The financial statements have been prepared under the historical cost convention, and in accordance with *Financial Reporting Standard 102 (FRS 102)* issued by the Financial Reporting Council.

The functional currency of Project 131 Midco 1 Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Project 131 Midco 1 meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes
- The requirement to disclose key management compensation

Equivalent disclosures are included in the consolidated financial statements of Project Mountain Holdco Limited, a company incorporated in England and Wales, in which the company's financial statements for the period ended 31 December 2020 are consolidated.

The company has taken advantage of an exemption from disclosing transactions with wholly-owned subsidiaries of UKFast Group Limited.

Consolidated financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared consolidated financial statements and it is exempt from the requirement to do so under Section 400 of the companies Act 2006.

Going concern

The Group has sufficient financial resources, together with contracts with a large number of customers across different industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully. Whilst there is uncertainty due to the COVID-19 pandemic, the directors have undertaken a rigorous assessment on the potential impact on profitability and liquidity of the Group, as documented in the strategic report of the financial statements of Project Mountain Holdco Limited (the highest parent company in which UK Fast Leaders Limited's results are consolidated). The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Notes to the financial statements

As at 31 December 2020

1. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, the company considers whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are measured subsequently at amortised cost using the effective interest method. Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability, then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Notes to the financial statements

As at 31 December 2020

1. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

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.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Related party transactions

In accordance with Section 33 of FRS 102, the Company has not disclosed details of transactions with fellow wholly owned undertakings within the UK Fast Group Limited group of companies.

Notes to the financial statements

As at 31 December 2020

2. Interest receivable

	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
Interest received	10,560	12,322
	<u>10,560</u>	<u>12,322</u>

3. Interest payable and similar expenses

	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
Interest payable on loan notes	10,428	12,613
Amortisation of loan note arrangement fees	423	435
	<u>10,851</u>	<u>13,048</u>

4. Tax on profit

(a) Tax charge for the period

The tax charge is made up as follows:

	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
Current tax:		
UK corporation tax on the profit for the period	-	-
Total current tax charge (note 4(b))	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the period

Deferred taxes are measured at 19% at 31 December 2020, following the decision to maintain the main corporation tax rate at 19% was substantively enacted on 17 March 2020. On 11 March 2021, the Finance Bill 2021 was announced in the United Kingdom, which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023. Deferred tax assets in the United Kingdom have not been restated.

Notes to the financial statements

As at 31 December 2020

4. Tax on profit (continued)

(b) Factors affecting tax charge for the period (continued)

In the Budget 2016, the government announced a further reduction to the Corporation Tax main rate for the year starting 1 April 2020, setting the rate at 17%. Since the rate reduction to 17% was enacted by the balance sheet date, deferred tax has therefore been provided at 17%.

In the 2020 Budget it was announced that the corporation tax main rate would remain at 19% for the financial year beginning 1 April 2020, rather than reducing to 17% from 1 April 2020. The charge to corporation tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK Corporation Tax to the profit before tax is as follows:

	2020	2019
	£000	£000
Loss before tax	(294)	(726)
Loss multiplied by standard rate of corporation tax in the UK of 19%	(56)	(138)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	496
Effects of group relief and other reliefs	(1,925)	(1,783)
Deferred tax not recognised	1,981	1,425
Total tax charge for the period (note 4(a))	-	-

5. Investments

	2020	2019
	£	£
Subsidiary undertakings	1	1

Notes to the financial statements

As at 31 December 2020

5. Investments (continued)

The company had investments in the following subsidiary undertakings during the year ended 31 December 2020

Subsidiary	Registered office	Principal activity	Holding
Project 131 Midco 2 Limited +	Archway 1, Birley Fields, Manchester, M15 5QJ	Holding company	100%
UKFast Leaders Limited	Archway 1, Birley Fields, Manchester, M15 5QJ	Holding company	100%
UKFast.Net Limited	Archway 1, Birley Fields, Manchester, M15 5QJ	Hosting services	100%
Secure Information Assurance Limited	Archway 1, Birley Fields, Manchester, M15 5QJ	Hosting services	100%
Secure Information Assurance Holdings Limited	Archway 1, Birley Fields, Manchester, M15 5QJ	Holding company	100%
Clear Cloud Integration Limited	Archway 1, Birley Fields, Manchester, M15 5QJ	Cloud solutions provider	100%
UKFast Inc	913 N Market Street, Suite 200, Wilmington, Delaware, 19801	Dormant company	100%
DDOS X Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
eCloud Burst Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
eCloud Flex Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
eCloud Global Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
eCloud Hybrid Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
eCloud Private Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
eCloud Public Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
eCloud Vault Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
FastCloud Backup Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
FastDesk Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%

Notes to the financial statements

As at 31 December 2020

FastOffice Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
MyUkFast	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
ProProtection Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
SafeDNS Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
ThinkFaster Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
UKFast Ecommerce Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
UKFast DRAAS Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
UKFast CAAS Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
UKFast LtAAS Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
One Click Apps Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
Faststore Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
UKFast Enterprise Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%
UKFast Prosecure Ltd	Archway 1, Birley Fields, Manchester, M15 5QJ	Dormant company	100%

+ Indicates that equity interest was held directly by Project 131 Midco 1 Limited. Equity interest in other subsidiary undertakings are held indirectly.

6. Debtors

	2020	2019
	£000	£000
Amounts owed by Group undertakings	299,374	328,368

Notes to the financial statements

As at 31 December 2020

7. Creditors: amounts falling due within one year

	2020	2019
	<i>£000</i>	<i>£000</i>
Amounts due to Group undertakings	220,579	220,573
Other creditors	2	2
	<u>220,581</u>	<u>220,575</u>

8. Creditors: amounts falling due after more than one year

Loans repayable, included within creditors, are analysed as follows:

	2020	2019
	<i>£000</i>	<i>£000</i>
Loan notes payable including accrued interest	82,106	111,234
Issue costs on loan notes	(2,292)	(2,715)
	<u>79,814</u>	<u>108,519</u>

The loan notes have a term of 7 years and 6 months with an inception date of 20 December 2018 and a redemption date of 20 June 2026. Interest is charged at an interest rate of 10% per annum.

Borrowings are repayable as follows:

	2020	2019
	<i>Loan Notes</i>	<i>Loan Notes</i>
	<i>£000</i>	<i>£000</i>
Within one year	-	-
In two to five years	-	-
Over five years	82,106	111,234
	<u>82,106</u>	<u>111,234</u>

9. Called up share capital and reserves

	2020	2019
	<i>£</i>	<i>£</i>
<i>Called up share capital not paid</i>		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

Notes to the financial statements

As at 31 December 2020

10. Related party transactions

In accordance with Section 33 of FRS 102, the Company has not disclosed details of transactions with fellow wholly owned undertakings within the UK Fast Group Limited group of companies.

11. Controlling party

The company is a subsidiary of UKFast Group Limited, a company registered in England and Wales.

The largest group in which the company is consolidated is that headed by Project Mountain Holdco Limited. The consolidated financial statements of the Group are available to the public and may be obtained from Companies House.

Funds managed by Inflexion Private Equity Partners LLP is the ultimate controlling.