

Zoom Holding Limited

Consolidated Interim Report

Period Ended

30 June 2023

Registered number 05777758

Zoom Holding Limited

Consolidated Interim Report
For the period ended 30 June 2023

Contents

Page:

1	Consolidated statement of comprehensive income
2	Consolidated balance sheet
3	Consolidated statement of changes in equity
4	Consolidated statement of cash flows
5	Notes forming part of the consolidated interim report

Directors

Anna Dellis
Nick Horler
Paul Miles
Kevin O'Connor
Bernardo Sottomayor
Yaad Virdee

Secretary and registered office

Beach Secretaries Limited, Bluebird House, Mole Business Park, Leatherhead, KT22 7BA

Company number

05777758

Auditors

Deloitte LLP, 1 New Street Square, London, EC4A 3HQ

Zoom Holding Limited

Consolidated statement of comprehensive income For the period ended 30 June 2023

	6 months ended 30 June 2023 Unaudited £'000	6 months ended 30 June 2022 Unaudited £'000	12 months ended 31 December 2022 Audited £'000
Turnover	60,326	50,986	109,022
Cost of sales	(31,188)	(26,108)	(57,267)
Gross profit	29,138	24,878	51,755
Administrative expenses	(11,521)	(10,381)	(24,632)
Charge for bad debts	-	-	1,095
Total administrative expenses	(11,521)	(10,381)	(23,537)
Group operating profit	17,617	14,497	28,218
Other interest receivable and similar income	211	1	4
Interest payable and similar charges	(17,627)	(17,026)	(34,412)
Loss on ordinary activities before taxation	201	(2,528)	(6,190)
Taxation on profit on ordinary activities	(3,411)	(2,487)	(4,286)
Loss for the financial year and total comprehensive income for the year	(3,210)	(5,015)	(10,476)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations. There were no items of comprehensive income in the current and prior year.

Zoom Holding Limited

Consolidated balance sheet at 30 June 2023

	30 June 2023 Unaudited £'000	30 June 2023 Unaudited £'000	30 June 2022 Unaudited £'000	30 June 2022 Unaudited £'000	31 December 2022 Audited £'000	31 December 2022 Audited £'000
Fixed assets						
Intangible assets		16,928		22,418		19,674
Tangible assets		439,189		403,081		420,569
Deferred tax asset		4,264		9,118		7,547
		<u>460,381</u>		<u>434,617</u>		<u>447,790</u>
Current assets						
Debtors	14,177		12,672		17,168	
Cash at bank and in hand	41,128		33,187		43,184	
	<u>55,305</u>		<u>45,859</u>		<u>60,352</u>	
Creditors: amounts falling due within one year	<u>(31,127)</u>		<u>(31,000)</u>		<u>(36,923)</u>	
Net current assets		<u>24,178</u>		<u>14,859</u>		<u>23,429</u>
Total assets less current liabilities		<u>484,559</u>		<u>449,476</u>		<u>471,219</u>
Creditors: amounts falling due after more than one year		<u>(699,719)</u>		<u>(655,965)</u>		<u>(683,169)</u>
Net assets		<u>(215,160)</u>		<u>(206,489)</u>		<u>(211,950)</u>
Capital and reserves						
Called up share capital		134,241		134,241		134,241
Profit and loss account		(349,401)		(340,730)		(346,191)
		<u>(215,160)</u>		<u>(206,489)</u>		<u>(211,950)</u>

The consolidated interim report was approved by the Board of Directors and authorised for issue on 26 September 2023 and were signed on its behalf by:



Paul Miles
Director

Zoom Holding Limited

Consolidated statement of changes in equity For the period ended 30 June 2023

	Share capital 30 June 2023 Unaudited £'000	Profit and loss account 30 June 2023 Unaudited £'000	Total equity 30 June 2023 Unaudited £'000	Share capital 30 June 2022 Unaudited £'000	Profit and loss account 30 June 2022 Unaudited £'000	Total Equity 30 June 2022 Unaudited £'000	Share capital 31 December 2022 Audited £'000	Profit and loss account 31 December 2022 Audited £'000	Total Equity 31 December 2022 Audited £'000
1 January	134,241	(346,191)	(211,950)	134,241	(335,715)	(201,474)	134,241	(335,715)	(201,474)
Comprehensive income for the period Profit / (loss) for the period	-	(3,210)	(3,210)	-	(5,015)	(5,015)	-	(10,476)	(10,476)
Total comprehensive income for the year	-	(3,210)	(3,210)	-	(5,015)	(5,015)	-	(10,476)	(10,476)
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
Share issue	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
30 June	134,241	(349,401)	(215,160)	134,241	(340,730)	(206,489)	134,241	(346,191)	(211,950)

Zoom Holding Limited

Consolidated statement of cash flows For the period ended 30 June 2023

	6 months ended 30 June 2023 Unaudited £'000	6 months ended 30 June 2022 Unaudited £'000	Year ended 31 December 2022 Audited £'000
Cash flows from operating activities			
Profit/(Loss) for the financial period	(3,210)	(5,015)	(10,476)
Adjustments for:			
Depreciation and amortisation of fixed assets	8,697	8,104	16,473
Net interest payable/(receivable)	17,416	17,025	34,409
Taxation expense	3,411	2,487	4,286
(Increase)/Decrease in trade and other debtors	2,758	(1,840)	(6,380)
Increase/(decrease) in trade creditors	(6,685)	4,559	11,654
(Gain)/Loss on disposal of tangible assets	(11)	(20)	(32)
Cash from operations	22,376	25,300	49,934
Interest paid	(19,767)	(5,132)	(25,083)
Taxation (paid)/refunded	107	(986)	(1,169)
Net cash generated from operating activities	2,716	19,182	23,682
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets	13	53	128
Purchases of tangible fixed assets	(24,996)	(23,607)	(48,188)
Interest received	211	1	4
Net cash used in investing activities	(24,772)	(23,553)	(48,056)
Cash flows from financing activities			
Loan notes issued	-	-	-
Capex loan draw down	20,000	-	30,000
Net cash from financing activities	20,000	-	30,000
Net (decrease) / increase in cash and cash equivalents	(2,056)	(4,371)	5,626
Cash and cash equivalents at beginning of year	43,184	37,558	37,558
Cash and cash equivalents at end of period	41,128	33,187	43,184
Cash and cash equivalents comprise:			
Cash at bank and in hand	41,128	33,187	43,184
Bank overdrafts	-	-	-
	41,128	33,187	43,184

Zoom Holding Limited

Notes forming part of the consolidated interim report For the period ended 30 June 2023

1 Financial Information

The interim financial information for the 6 months ended 30 June 2023 does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. It has been prepared using accounting policies and principles consistent with those applied in the preparation of the audited accounts of Zoom Holding Limited Group for the period ended 31 December 2022.

The interim financial information has been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention.

2 Comparatives

The comparatives in the interim financial information are the figures included in the audited financial statements for Zoom Holding Limited for the period ended 31 December 2022, together with the unaudited results for the 6 months ending 30 June 2022.

3 Analysis of Turnover

	6 month ended 30 June 2023 Unaudited £'000	6 month ended 30 June 2022 Unaudited £'000	12 month ended 31 December 2022 Audited £'000
Analysis by class of business:			
Gas transportation	21,742	18,231	37,378
Gas metering	5,428	4,551	9,546
Electricity distribution	32,791	27,842	61,372
Release of deferred income on third party contributions	365	362	726
	<u>60,326</u>	<u>50,986</u>	<u>109,022</u>

The Group's revenue is generated in the United Kingdom (excluding Northern Ireland).

4 Debtors

	Group 30 June 2023 Unaudited £'000	Group 30 June 2022 Unaudited £'000	Group 31 December 2022 Audited £'000
Trade debtors	9,141	8,789	4,727
Other debtors	1,172	-	9,735
Corporation tax	580	858	814
Prepayments and accrued income	3,284	3,025	1,892
	<u>14,177</u>	<u>12,672</u>	<u>17,168</u>

All debtors are due within one year.

Zoom Holding Limited

Notes forming part of the consolidated interim report For the period ended 30 June 2023 (continued)

5 Creditors: amounts falling due within one year

Group	30 June 2023 Unaudited £'000	30 June 2022 Unaudited £'000	31 December 2022 Audited £'000
Trade creditors	14,173	15,756	13,120
Loan interest due	3,165	2,106	-
Taxation and social security	231	219	219
Other creditors	604	3,540	2,204
Corporation tax	-	-	-
Accruals and deferred income	12,954	9,379	21,380
	31,127	31,000	36,923

6 Creditors: amounts falling due after more than one year

Group	30 June 2023 Unaudited £'000	30 June 2022 Unaudited £'000	31 December 2022 Audited £'000
Loan notes	313,247	312,691	313,132
Capex loan	80,000	30,000	60,000
8% PIK notes	250,948	257,686	253,462
12% PIK notes	23,979	23,560	24,773
Deferred income	31,545	32,028	31,802
	699,719	655,965	683,169

The deferred income relates to contributions, from owner-occupiers of premises, partly to offset the capital expenditure on the infill networks, which are received at the time of initial connection. These receipts are released to the statement of comprehensive income account, as a reduction in the depreciation charge, over the useful life of the related assets.

The loan notes are secured by an All Assets charge over the assets of the Group, and are structured as follows :-

£54m at 2.69% Senior Secured Tranche A note due 6th October 2027
 £85m at 3.05% Senior Secured Tranche B note due 6th October 2032
 £30m at 2.116% Senior Secured note due 13th February 2035
 £30m at 2.53% Senior Secured note due 30th June 2036
 £85m at 3.35% Senior Secured Tranche C note due 6th October 2037
 £30m at 2.736% Senior Secured note due 13th May 2041

The 12% and 8% PIK loan notes are listed on the Channel Island Stock Exchange and mature in 2036. The Capex loan is repayable in full in October 2026 and incurs interest at a rate of Sonia plus 1.62%.

Zoom Holding Limited

Notes forming part of the consolidated interim report
For the period ended 30 June 2023 (*continued*)

6 Creditors: amounts falling due after more than one year (continued)

The maturity of sources of debt finance is as follows:

Group	30 June 2023 Unaudited £'000	30 June 2022 Unaudited £'000	31 December 2022 Audited £'000
In one year or less, or on demand	-	-	-
In more than one year but not more than five years	134,000	30,000	60,000
In more than five years	534,174	593,937	591,367
	<u>668,174</u>	<u>623,937</u>	<u>651,367</u>

7 Financial instruments

The Group's financial instruments may be analysed as follows:

	Group 30 June 2023 Unaudited £'000	Group 30 June 2022 Unaudited £'000	Group 31 December 2022 Unaudited £'000
Financial assets			
<i>measured at amortised cost:</i>			
Cash at bank	41,128	33,187	43,184
Trade debtors	9,141	8,789	4,727
Other debtors	-	-	9,735
	<u> </u>	<u> </u>	<u> </u>
Financial liabilities			
<i>measured at amortised cost:</i>			
Trade creditors	14,173	15,756	13,120
Other creditors	604	3,540	2,204
Accrual less than one year	12,954	8,669	20,668
Loan notes	313,247	312,691	313,132
Bank loan	80,000	30,000	60,000
12% PIK notes	23,979	23,560	24,773
8% PIK notes	250,948	257,686	253,462
	<u> </u>	<u> </u>	<u> </u>

Zoom Holding Limited

Notes forming part of the consolidated interim report
For the period ended 30 June 2023 (*continued*)

8 Capital commitments	30 June	30 June	31 December
Group	2023	2022	2022
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Contracted but not provided for	187,232	178,418	184,440
	<hr/>	<hr/>	<hr/>
9 Reconciliation of operating profit to EBITDA	30 June	30 June	31 December
Group	2023	2022	2022
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Group Operating Profit	17,617	14,497	28,218
Add back net depreciation	8,332	7,742	15,744
	<hr/>	<hr/>	<hr/>
EBITDA	25,949	22,239	43,964
	<hr/>	<hr/>	<hr/>

10 Related party disclosures

The parent undertaking is 3i MIA Holdings Limited, which is wholly owned by 3i Managed Infrastructure Acquisitions LP ("3i MIA LP").

The Company is ultimately controlled by 3i MIA LP, an English limited partnership, which is managed by 3i Investments plc. 3i Investments plc is wholly owned by 3i Group plc. The general partner of 3i MIA LP is 3i Managed Infrastructure GP (2017) LLP.