

# **Zoom Holding Limited**

Consolidated Interim Report

Period Ended

30 June 2019

Registered number 05777758

# Zoom Holding Limited

Consolidated Interim Report  
For the period ended 30 June 2019

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### Directors

A Dellis  
N Horler  
P Miles  
K O'Connor  
B Sottomayor  
S Schwengber

### Secretary and registered office

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

### Company number

05777758

### Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

# Zoom Holding Limited

## Consolidated statement of comprehensive income For the period ended 30 June 2019

	6 month period ended 30 June 2019 Unaudited £'000	6 month period ended 30 June 2018 Unaudited £'000	12 month period ended 31 December 2018 Audited £'000
Turnover	33,749	30,620	62,999
Cost of sales	(15,307)	(13,231)	(26,993)
<b>Gross profit</b>	<b>18,442</b>	17,389	36,006
Administrative expenses	(8,427)	(6,705)	(14,375)
<b>Group operating profit</b>	<b>10,015</b>	10,684	21,631
Other interest receivable and similar income	24	23	29
Interest payable and similar charges	(15,199)	(14,955)	(30,106)
Changes in fair value of derivatives	-	-	-
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>(5,160)</b>	(4,248)	(8,446)
Taxation on profit on ordinary activities	(1,440)	(1,553)	(3,676)
<b>Profit for the financial year and total comprehensive income for the year</b>	<b>(6,600)</b>	(5,801)	(12,122)

# Zoom Holding Limited

## Consolidated balance sheet at 30 June 2019

	30 June 2019 Unaudited £'000	30 June 2019 Unaudited £'000	30 June 2018 Unaudited £'000	30 June 2018 Unaudited £'000	31 December 2018 Audited £'000	31 December 2018 Audited £'000
<b>Fixed assets</b>						
Intangible assets		38,889		44,379		41,634
Tangible assets		297,774		273,563		286,399
		<u>336,663</u>		<u>317,942</u>		<u>328,033</u>
<b>Current assets</b>						
Deferred tax asset	16,898		20,460		18,338	
Debtors	8,122		12,408		8,535	
Cash at bank and in hand	19,623		22,730		18,822	
	<u>44,643</u>		<u>55,598</u>		<u>45,695</u>	
<b>Creditors: amounts falling due within one year</b>	<u>(27,526)</u>		<u>(25,004)</u>		<u>(27,289)</u>	
<b>Net current liabilities</b>		<u>17,117</u>		<u>30,594</u>		<u>18,406</u>
<b>Total assets less current liabilities</b>		<u>353,780</u>		<u>348,536</u>		<u>346,439</u>
<b>Creditors: amounts falling due after more than one year</b>		<u>(531,548)</u>		<u>(513,383)</u>		<u>(517,607)</u>
<b>Net assets</b>		<u>(177,768)</u>		<u>(164,847)</u>		<u>(171,168)</u>
<b>Capital and reserves</b>						
Called up share capital		134,241		134,241		134,241
Profit and loss account		(312,009)		(299,088)		(305,409)
Equity attributable to owners of the parent company		<u>(177,768)</u>		<u>(164,847)</u>		<u>(171,168)</u>

The consolidated interim report was approved by the Board of Directors and authorised for issue on 25 September 2019 and were signed on its behalf by:

P Miles  
Director



## Zoom Holding Limited

### Consolidated statement of changes in equity For the period ended 30 June 2019

	Share capital 30 June 2019 Unaudited £'000	Profit and loss account 30 June 2019 Unaudited £'000	Total equity 30 June 2019 Unaudited £'000	Share capital 30 June 2018 Unaudited £'000	Profit and loss account 30 June 2018 Unaudited £'000	Total Equity 30 June 2018 Unaudited £'000	Share capital 31 December 2018 Audited £'000	Profit and loss account 31 December 2018 Audited £'000	Total Equity 31 December 2018 Audited £'000
1 January	134,241	(305,409)	(171,168)	134,241	(293,287)	(159,046)	134,241	(293,287)	(159,046)
Correction opening balance	-	-	-	-	-	-	-	-	-
Comprehensive income for the period	-	(6,600)	(6,600)	-	(5,801)	(5,801)	-	(12,122)	(12,122)
Profit / (loss) for the period	-	(6,600)	(6,600)	-	(5,801)	(5,801)	-	(12,122)	(12,122)
Total comprehensive income for the year	-	(6,600)	(6,600)	-	(5,801)	(5,801)	-	(12,122)	(12,122)
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
Share issue	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
30 June	134,241	(312,009)	(177,768)	134,241	(299,088)	(164,847)	134,241	(305,409)	(171,168)

# Zoom Holding Limited

## Consolidated statement of cash flows For the period ended 30 June 2019

	6 month ended 30 June 2019 Unaudited £'000	6 month ended 30 June 2018 Unaudited £'000	Year ended 31 December 2018 Audited £'000
<b>Cash flows from operating activities</b>			
<b>Profit/(Loss) for the financial period</b>	<b>(6,600)</b>	<b>(5,801)</b>	<b>(12,122)</b>
Adjustments for:			
Depreciation and amortisation of fixed assets	7,638	7,598	15,003
Net interest payable/(receivable)	15,176	14,932	30,077
Taxation expense	1,440	1,553	3,676
(Increase)/Decrease in trade and other debtors	414	(1,430)	2,443
Increase/(decrease) in trade creditors	569	1,322	514
(Gain)/Loss on disposal of tangible assets	(31)	(26)	(53)
<b>Cash from operations</b>	<b>18,606</b>	<b>18,148</b>	<b>39,538</b>
Interest paid	(11,247)	(13,420)	(22,816)
Taxation paid	-	-	-
<b>Net cash generated from operating activities</b>	<b>7,359</b>	<b>4,728</b>	<b>16,722</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets	44	40	88
Purchases of tangible fixed assets	(16,625)	(14,979)	(30,829)
Interest received	23	23	29
<b>Net cash used in investing activities</b>	<b>(16,558)</b>	<b>(14,916)</b>	<b>(30,712)</b>
<b>Cash flows from financing activities</b>			
Capex loan draw down	10,000	-	-
Debt issue costs incurred	-	-	(106)
<b>Net cash from financing activities</b>	<b>10,000</b>	<b>-</b>	<b>(106)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>801</b>	<b>(10,188)</b>	<b>(14,096)</b>
Cash and cash equivalents at beginning of year	18,822	32,918	32,918
<b>Cash and cash equivalents at end of period</b>	<b>19,623</b>	<b>22,730</b>	<b>18,822</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand	19,623	22,730	18,822
Bank overdrafts	-	-	-
	<b>19,623</b>	<b>22,730</b>	<b>18,822</b>

Non cash flow fixed asset additions of (£326,723) (June 2018: £812,733; December 2018: £2,486,579) have been accrued in the year.

# Zoom Holding Limited

## Notes forming part of the consolidated interim report For the period ended 30 June 2019

### 1 Financial Information

The interim financial information for the 6 months ended 30 June 2019 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 2018.

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.

### 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 2018, together with the unaudited results for the six months ending 30 June 2018.

### 3 Analysis of Turnover

	6 month ended 30 June 2019 Unaudited £'000	6 month ended 30 June 2018 Unaudited £'000	12 month ended 31 December 2018 Audited £'000
Analysis by class of business:			
Gas transportation	13,827	12,663	26,058
Gas metering	5,652	6,572	12,660
Electricity distribution	14,270	11,385	24,281
	<u>33,749</u>	<u>30,620</u>	<u>62,999</u>

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

### 4 Debtors

	Group 30 June 2019 Unaudited £'000	Group 30 June 2018 Unaudited £'000	Group 31 December 2018 Audited £'000
Trade debtors	5,386	6,060	6,029
Other debtors	44	39	46
Prepayments and accrued income	2,692	2,167	1,160
Deposits	-	4,142	1,300
	<u>8,122</u>	<u>12,408</u>	<u>8,535</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 2019 (*continued*)

## 5 Creditors: amounts falling due within one year

Group	30 June 2019 Unaudited £'000	30 June 2018 Unaudited £'000	31 December 2018 Audited £'000
Trade creditors	19,995	17,935	19,425
Taxation and social security	252	299	186
Other creditors	702	941	650
Accruals and deferred income	6,577	5,829	7,028
	<u>27,526</u>	<u>25,004</u>	<u>27,289</u>

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

Group	30 June 2019 Unaudited £'000	30 June 2018 Unaudited £'000	31 December 2018 Audited £'000
Loan notes	220,054	220,619	219,450
Bank loan	10,000	-	-
8% PIK notes	248,263	237,885	242,663
12% PIK notes	20,524	22,163	22,782
Deferred income	32,707	32,716	32,712
	<u>531,548</u>	<u>513,383</u>	<u>517,607</u>

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  
£85m at 3.35% Senior Secured Tranche C note due 6th October 2037

The 12% and 8% PIK loan notes are listed on the Channel Island Stock Exchange and mature in 2036.

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.



# Zoom Holding Limited

Notes forming part of the consolidated interim report  
For the period ended 30 June 2019 (*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 2019 Unaudited £'000	30 June 2018 Unaudited £'000	31 December 2018 Audited £'000
In one year or less, or on demand	-	-	-
In more than one year but not more than five years	10,000	-	-
In more than five years	488,841	480,667	484,895
	<u>498,841</u>	<u>480,667</u>	<u>484,895</u>

## 7 Financial instruments

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

	Group 30 June 2019 Unaudited £'000	Group 30 June 2018 Unaudited £'000	Group 31 December 2018 Unaudited £'000
<b>Financial assets</b>			
<i>measured at amortised cost:</i>			
Cash at bank	19,623	22,730	18,822
Trade debtors	5,386	6,060	6,029
Other debtors	44	39	46
Deposits	-	4,142	1,300
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Financial liabilities</b>			
<i>measured at amortised cost:</i>			
Trade creditors	19,995	17,935	19,425
Other creditors	702	941	650
Accrual less than one year	4,848	5,829	5,307
Loan notes	220,054	220,619	219,450
Bank loan	10,000	-	-
12% PIK notes	20,524	22,163	22,782
8% PIK notes	248,263	237,885	242,663
	<u>          </u>	<u>          </u>	<u>          </u>

# Zoom Holding Limited

## Notes forming part of the consolidated interim report For the period ended 30 June 2019 (*continued*)

### 8 Capital commitments

Group	30 June 2019 Unaudited £'000	30 June 2018 Unaudited £'000	31 December 2018 Audited £'000
Contracted but not provided for	106,362	94,466	99,239

### 9 Reconciliation of operating profit to EBITDA

Group	30 June 2019 Unaudited £'000	30 June 2018 Unaudited £'000	31 December 2018 Audited £'000
Group Operating Profit	10,015	10,684	21,631
Add back net depreciation	7,289	7,254	14,312
EBITDA	17,304	17,938	35,943

### 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.