

# **Zoom Holding Limited**

Consolidated Interim Report

Period Ended

30 June 2021

Registered number 05777758

# Zoom Holding Limited

## Consolidated Interim Report For the period ended 30 June 2021

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#### Directors

Anna Dellis

Nick Horler

Paul Miles

Kevin O'Connor

Sebastian Schwengber (resigned 18 June 2021)

Bernardo Sottomayor

Yaad Virdee (appointed 1 September 2021)

#### 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 3BZ

# Zoom Holding Limited

## Consolidated statement of comprehensive income For the period ended 30 June 2021

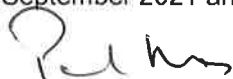
	6 month period ended 30 June 2021 Unaudited £'000	6 month period ended 30 June 2020 Unaudited £'000	12 month period ended 31 December 2020 Audited £'000
Turnover	42,766	37,162	78,253
Cost of sales	(19,538)	(16,169)	(34,490)
<b>Gross profit</b>	<b>23,228</b>	20,993	43,763
Administrative expenses	(9,405)	(8,606)	(19,510)
<b>Group operating profit</b>	<b>13,823</b>	12,387	24,253
Other interest receivable and similar income	6	-	4
Interest payable and similar charges	(16,082)	(15,897)	(32,049)
<b>Loss on ordinary activities before taxation</b>	<b>(2,253)</b>	(3,510)	(7,792)
Taxation on profit on ordinary activities	4,908	(50)	(3,789)
<b>Loss for the financial year and total comprehensive income for the year</b>	<b>2,655</b>	(3,560)	(11,581)

# Zoom Holding Limited

## Consolidated balance sheet at 30 June 2021

	30 June 2021 Unaudited £'000	30 June 2021 Unaudited £'000	30 June 2020 Unaudited £'000	30 June 2020 Unaudited £'000	31 December 2020 Audited £'000	31 December 2020 Audited £'000
<b>Fixed assets</b>						
Intangible assets		27,908		33,398		30,654
Tangible assets		366,939		335,554		348,051
Deferred tax asset		18,400		17,234		13,493
		<u>413,247</u>		<u>386,186</u>		<u>392,198</u>
<b>Current assets</b>						
Debtors	12,138		8,170		8,740	
Cash at bank and in hand	58,028		22,180		16,789	
	<u>70,166</u>		<u>30,350</u>		<u>25,529</u>	
<b>Creditors: amounts falling due within one year</b>	<u>(26,825)</u>		<u>(24,505)</u>		<u>(23,756)</u>	
<b>Net current assets</b>		<u>43,341</u>		<u>5,845</u>		<u>1,773</u>
<b>Total assets less current liabilities</b>		<u>456,588</u>		<u>392,031</u>		<u>393,971</u>
<b>Creditors: amounts falling due after more than one year</b>		<u>(646,354)</u>		<u>(576,431)</u>		<u>(586,392)</u>
<b>Net assets</b>		<u>(189,766)</u>		<u>(184,400)</u>		<u>(192,421)</u>
<b>Capital and reserves</b>						
Called up share capital		134,241		134,241		134,241
Profit and loss account		(324,007)		(318,641)		(326,662)
		<u>(189,766)</u>		<u>(184,400)</u>		<u>(192,421)</u>

The consolidated interim report was approved by the Board of Directors and authorised for issue on 22 September 2021 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 2021

	Share capital 30 June 2021 Unaudited £'000	Profit and loss account 30 June 2021 Unaudited £'000	Total equity 30 June 2021 Unaudited £'000	Share capital 30 June 2020 Unaudited £'000	Profit and loss account 30 June 2020 Unaudited £'000	Total Equity 30 June 2020 Unaudited £'000	Share capital 31 December 2020 Audited £'000	Profit and loss account 31 December 2020 Audited £'000	Total Equity 31 December 2020 Audited £'000
1 January	134,241	(326,662)	(192,421)	134,241	(315,081)	(180,840)	134,241	(315,081)	(180,840)
Correction opening balance	-	-	-	-	-	-	-	-	-
Comprehensive income for the period	-	2,655	2,655	-	(3,560)	(3,560)	-	(11,581)	(11,581)
Profit / (loss) for the period	-	2,655	2,655	-	(3,560)	(3,560)	-	(11,581)	(11,581)
Total comprehensive income for the year	-	2,655	2,655	-	(3,560)	(3,560)	-	(11,581)	(11,581)
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
Share issue	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
30 June	134,241	(324,007)	(189,766)	134,241	(318,641)	(184,400)	134,241	(326,662)	(192,421)

# Zoom Holding Limited

## Consolidated statement of cash flows For the period ended 30 June 2021

	6 month ended 30 June 2021 Unaudited £'000	6 month ended 30 June 2020 Unaudited £'000	Year ended 31 December 2020 Audited £'000
<b>Cash flows from operating activities</b>			
<b>Profit/(Loss) for the financial period</b>	<b>2,655</b>	<b>(3,560)</b>	<b>(11,581)</b>
Adjustments for:			
Depreciation and amortisation of fixed assets	7,704	7,526	15,535
Net interest payable/(receivable)	16,076	15,898	32,045
Taxation expense	(4,908)	50	3,789
(Increase)/Decrease in trade and other debtors	(3,398)	(561)	(1,132)
Increase/(decrease) in trade creditors	3,439	502	869
(Gain)/Loss on disposal of tangible assets	(18)	(43)	(33)
<b>Cash from operations</b>	<b>21,550</b>	<b>19,812</b>	<b>39,492</b>
Interest paid	(16,024)	(14,164)	(30,249)
Taxation paid	-	-	-
<b>Net cash generated from operating activities</b>	<b>5,526</b>	<b>5,648</b>	<b>9,243</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets	41	51	136
Purchases of tangible fixed assets	(24,334)	(31,623)	(50,698)
Interest received	6	-	4
<b>Net cash used in investing activities</b>	<b>(24,287)</b>	<b>(31,572)</b>	<b>(50,558)</b>
<b>Cash flows from financing activities</b>			
Loan notes issued	60,000	30,000	30,000
Capex loan draw down	-	-	10,000
<b>Net cash from financing activities</b>	<b>60,000</b>	<b>30,000</b>	<b>40,000</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>41,239</b>	<b>4,076</b>	<b>(1,315)</b>
Cash and cash equivalents at beginning of year	16,789	18,104	18,104
<b>Cash and cash equivalents at end of period</b>	<b>58,028</b>	<b>22,180</b>	<b>16,789</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand	58,028	22,180	16,789
Bank overdrafts	-	-	-
	<b>58,028</b>	<b>22,180</b>	<b>16,789</b>

# Zoom Holding Limited

## Notes forming part of the consolidated interim report For the period ended 30 June 2021

### 1 Financial Information

The interim financial information for the 6 months ended 30 June 2021 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 2020.

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.

### 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 2020, together with the unaudited results for the six months ending 30 June 2020.

### 3 Analysis of Turnover

	6 month ended 30 June 2021 Unaudited £'000	6 month ended 30 June 2020 Unaudited £'000	12 month ended 31 December 2020 Audited £'000
Analysis by class of business:			
Gas transportation	16,764	15,344	31,978
Gas metering	4,796	5,004	10,211
Electricity distribution	20,847	16,814	35,353
Release of deferred income on third party contributions	359	-	711
	<u>42,766</u>	<u>37,162</u>	<u>78,253</u>

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

The release of deferred income has been reported as turnover for 2020 in accordance with FRS102. Previously this was credited to cost of sales. Prior year figures have not been restated as the amount is not deemed material, and there is no change to the operating profit of the Company.

### 4 Debtors

	Group 30 June 2021 Unaudited £'000	Group 30 June 2020 Unaudited £'000	Group 31 December 2020 Audited £'000
Trade debtors	9,197	5,425	7,385
Other debtors	31	3	32
Prepayments and accrued income	2,910	2,742	1,323
	<u>12,138</u>	<u>8,170</u>	<u>8,740</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 2021 (continued)

### 5 Debtors (continued)

The amounts owed by group undertakings relate to intercompany balances which do not bear interest and are repayable on demand by the Company when sufficient funds are available to do so.

### 5 Creditors: amounts falling due within one year

Group	30 June 2021 Unaudited £'000	30 June 2020 Unaudited £'000	31 December 2020 Audited £'000
Trade creditors	15,750	16,740	12,924
Loan interest due	2,001	2,009	-
Taxation and social security	163	145	146
Other creditors	1,414	998	1,541
Corporation tax	-	3	-
Accruals and deferred income	7,497	4,610	9,145
	<b>26,825</b>	<b>24,505</b>	<b>23,756</b>

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

Group	30 June 2021 Unaudited £'000	30 June 2020 Unaudited £'000	31 December 2020 Audited £'000
Loan notes	312,467	251,260	251,863
Capex loan	30,000	20,000	30,000
8% PIK notes	251,919	248,629	247,699
12% PIK notes	19,618	23,983	24,398
Deferred income	32,350	32,559	32,432
	<b>646,354</b>	<b>576,431</b>	<b>586,392</b>

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 13 February 2035  
 £30m at 2.53% Senior Secured note due 30<sup>th</sup> June 2036  
 £85m at 3.35% Senior Secured Tranche C note due 6th October 2037  
 £30m at 2.736% Senior Secured note due 13 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 2022 and incurs interest at a rate of LIBOR plus 1.5%.



# Zoom Holding Limited

## Notes forming part of the consolidated interim report For the period ended 30 June 2021 (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 2021 Unaudited £'000	30 June 2020 Unaudited £'000	31 December 2020 Audited £'000
In one year or less, or on demand	-	-	-
In more than one year but not more than five years	30,000	20,000	30,000
In more than five years	584,004	523,872	523,960
	<b>614,004</b>	<b>543,872</b>	<b>553,960</b>

### 7 Financial instruments

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

	Group 30 June 2021 Unaudited £'000	Group 30 June 2020 Unaudited £'000	Group 31 December 2020 Unaudited £'000
<b>Financial assets</b>			
<i>measured at amortised cost:</i>			
Cash at bank	58,028	22,180	16,789
Trade debtors	9,197	5,425	7,385
Other debtors	31	3	32
	<b>67,256</b>	<b>27,608</b>	<b>24,206</b>
<b>Financial liabilities</b>			
<i>measured at amortised cost:</i>			
Trade creditors	15,750	16,740	12,924
Other creditors	1,414	998	1,541
Accrual less than one year	6,794	4,610	8,446
Loan notes	312,467	251,260	251,863
Bank loan	30,000	20,000	30,000
12% PIK notes	19,618	23,983	24,398
8% PIK notes	251,919	248,629	247,699
	<b>637,962</b>	<b>566,220</b>	<b>537,630</b>

# Zoom Holding Limited

Notes forming part of the consolidated interim report  
For the period ended 30 June 2021 (continued)

8	Capital commitments	30 June	30 June	31 December
		2021	2020	2020
Group		Unaudited	Unaudited	Audited
		£'000	£'000	£'000
	Contracted but not provided for	<b>158,004</b>	130,572	145,874
		<hr/>	<hr/>	<hr/>
9	Reconciliation of operating profit to EBITDA	30 June	30 June	31 December
		2021	2020	2020
Group		Unaudited	Unaudited	Audited
		£'000	£'000	£'000
	Group Operating Profit	<b>13,823</b>	12,387	24,253
	Add back net depreciation	<b>7,345</b>	7,172	14,823
		<hr/>	<hr/>	<hr/>
	EBITDA	<b>21,168</b>	19,559	39,076
		<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.

## 11 Covid-19

As a transporter of gas and electricity within the UK, the Group's ongoing business has continued without interruption during successive lockdowns within the UK. The Group has continued to provide uninterrupted energy to homes and businesses, adapting working practises while maintaining our commitment to providing the very best service.

New connections made during 2021 have been in line with budget, as construction activity in the UK continued during the winter lockdown. Despite connections being on track, the Group has noticed a slight drop in sites won this year due to Developers delaying new starts until current delays and price inflation in the supply chain improve. This is forecast to be a temporary slow-down. Underlying pressure for new housing supply within the UK remains strong.

Due to the mature nature of our regulated income streams, tied to the majority of revenue being generated from assets already in the ground, our levels of profitability and cash flow generation have not been impacted by Covid. These will continue to grow as we add new connections.