

Hawk Bidco Limited

Annual Report and Financial Statements

Year ended

31st January 2024

Company Number 12352016

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Hawk Bidco Limited

Report and financial statements for the year ended 31 January 2024

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Directors

T Pilcher
P Benoit
J Metcalfe
D Slezak
B Catt

Registered office

Glide House, Ground Floor, Building 4, Windmill Road, Kenn, Clevedon, North Somerset, BS21 6UJ

Company number

12352016

Auditor

RSM UK Audit LLP, 2nd Floor, 1 The Square, Temple Quay, Bristol, BS1 6DG

Hawk Bidco Limited

Strategic report for the year ended 31 January 2024

The Directors present their strategic report together with the audited financial statements for the year ended 31 January 2024.

Principal Activities

The Company's principal activity is that of a holding company.

The Group headed by Project Hawk Topco Ltd (the "Group") is the leading provider of connectivity, managed Wi-Fi, VOIP, content filtering and other infrastructure and network solutions, to its core markets:

- Student – purpose built student accommodation ("PBSA") and multi-dwelling units ("MDUs")
- Residential – Build to Rent ("BTR") residential buildings
- Business – business and science parks, multi-tenanted offices, individual business premises, primary & secondary schools

Business Review

Investors

Astatine Capital Investment ("Astatine") hold the majority shareholding in the Group. Astatine are one of the world's most experienced infrastructure investment firms with depth of investing in the digital infrastructure space in the United States, Canada and Europe.

Core Markets – Infrastructure as a service (IAAS)

Trading in the core sectors continue to perform well in providing infrastructure as a service into Student Accommodation providers, Residential MDUs and small businesses and primary and secondary schools. The Group is now fully focused on continuing to build its secure and stable connectivity services, long-term contracted revenues and investing in the expansion of its core fibre network.

The Group's core revenues (excluding Glide Utilities Ltd "GUL" discontinued operations) have grown by 12% to £39.4m (Jan 23: £35.2m) with growth in all areas of the business; 8% revenue growth for contracted / recurring revenue streams and 31% growth from project and installation revenues.

Secure and stable connectivity services for both student, residential and business users continue to be critical to support hybrid learning and working. We have continued to work closely with the Group's loyal customer base to grow and develop its long-term contracted and annuity revenue streams in each of its key market verticals.

In the student sector, we onboarded almost 12,000 new student beds this year and provide managed internet services to student halls of residence with over 250,000 students now being served. With an increasing number of 18 year olds attending university in the UK and overseas student returning to UK higher education, demand for student accommodation continues to outstrip supply – a trend that is expected to continue.

The BTR sector continued to outperform the market, and Glide continued to gain market share, winning almost 7,000 new units this year. The broader economic recovery and interest rate stability indicates continued investment in this area and more opportunities in 2024 and beyond. This will translate into managed service revenue growth in future years.

For those difficult to reach and previously under-served business and science parks, we have continued to harness our unique capability to deliver super-fast connectivity and have successfully continued the growth in our customer base. We are also actively liaising with the DoE to bring our existing range of products (Connectivity, Managed Wi-Fi, VOIP, Content Filtering etc) to secondary and primary education markets, in the form of an infrastructure as a service (IAAS) contract. There are over 25,000 schools in the UK who rely on stable and fast connectivity to deliver the national curriculum, yet many are underserved and lack the capital funds to invest. The initial engagement is encouraging and the first contracts were signed in the early part of FY25.

Hawk Bidco Limited

Strategic report for the year ended 31 January 2024 *(continued)*

Core Markets – (continued)

We have not slowed investment in our core networks and infrastructure, investing over £24.8m (Jan 23: £25.6m) in our national network, managed services to student and residential sites and difficult to reach business and science parks. All investment is measured against ROIC and Payback KPIs to ensure the best return on every £ of investment. This investment is underpinned with long term customer contracts and allows us to further monetise the asset.

Network Development

Our core infrastructure network remains essential to our customer proposition and marketing leading service. We continue to invest in our core network, data centres and POPs with uncapped dark fibre links. We are investing in optical equipment to increase capacity between POPs whilst leveraging existing assets. Through our focus on optimising and expanding our network capacity, we have been able to support growing user consumption, which peaked at just over 0.5 Terabits per second, with 93% of the traffic being transferred via private interconnects directly to peers.

In addition to network capacity upgrades, our system and platform has undergone a generational refresh. Modernisation of our data centre infrastructure and architectural approach continues to support the massive growth in active users, to over 500,000 accounts and supporting over 5 million connected devices at peak.

In line with our strategy, our 'Fibre Cities' program now connects 250 MDU locations directly onto our network. This year we've deployed an additional 150 km of fibre assets, predominately via PIA (Physical Infrastructure Access) totalling 2,450 km. We have now completed Cardiff, Exeter, Reading, Bournemouth, Exeter and Liverpool, with Manchester and Leeds nearing completion and Southampton, Newcastle, Edinburgh and London being planned.

Employees

The Group's performance depends largely on its employees, both in the field and the support centres. The Directors would like to formally thank each and every one of the Group's employees for their hard work and dedication

Our business is built on the strength of our people and as a group we use several methods to engage with our employees:

- Monthly 'town hall' sessions informing staff of operational developments
- Annual celebration to keep staff up to date with development and strategy across the business and to say 'thank you' for everyone's continued efforts
- Recognition Policy including quarterly values awards, operating board recognition scheme, end of year functional awards and long service awards
- Staff benefits scheme, including medical cover, 'digital GP' service, discounted health checks, discounted dental, voucher scheme and gym discount scheme
- Focus on mental health through employee assistance programme and mental health first aiders
- Comprehensive induction programme at the start of their employment and then continued interaction throughout
- Annual employee engagement survey

Hawk Bidco Limited

Strategic report *(continued)*
for the year ended 31 January 2024

Business review (continued)

Employees (continued)

The Group operates an equal opportunities employment policy and is opposed to all forms of discrimination. Diversity metrics are tracked and we are proud that our employee population reflects the ethnic demographic of the areas within which we operate. Our selection processes are non-discriminatory and always seek to give full and fair consideration to those with disabilities for all vacancies, considering their aptitudes and skills. In the event of employees becoming disabled, every effort is made to ensure their employment with the Company continues and appropriate training arranged. So far as possible the Company ensures that the training, career development and promotion of any disabled person is identical to that of a colleague who does not suffer from such a disability. The Company has recently become a disability confident level 1 employer.

Community

The Company has regular interactions with universities and colleges local to its sites and supports work placements for school pupils and under-graduates.

Hawk Bidco Limited

Strategic report *(continued)*
for the year ended 31 January 2024

Key Financial highlights of the Group

The Group has delivered EBITDA of £15.7m (continuing operations) and growth across all areas of the business. Recurring revenue streams increased by £2.4m (8% growth), non-contracted revenues by £1.9m (32% growth) and gross profit growth of £2.4m (11%). Margins also remain strong at 63% for continuing operations.

	Year ended 31 January 2024			Year ended 31 January 2023		
	Group £m	GUL £m	Group Excl' GUL £m	Group £m	GUL £m	Group Excl' GUL £m
Contracted/ Recurring Revenue (1)	32.7	1.1	31.6	41.6	12.4	29.2
Non-recurring revenue (2)	7.8	-	7.8	5.9	-	5.9
Total Revenue	40.5	1.1	39.4	47.5	12.4	35.1
Gross Profit	24.9	0.2	24.7	25.9	3.6	22.3
Gross Profit %	62%	18%	63%	54%	29%	63%
Adjusted EBITDA (3)	15.3	(0.4)	15.7	12.5	0.9	11.6
Adjusted EBITDA Margin %	38%	(40%)	40%	26%	7%	33%
Contracted Revenue %	81%	100%	80%	87%	100%	83%

(1) Contracted / Recurring revenue typically refers to provision of managed service data connectivity services and utility reselling

(2) Non-recurring revenue typically relates to project and installation revenues

(3) EBITDA before debt issuance and non-trading costs (see Profit and Loss Account on page 15).

Revenue, Margins and Profitability

Revenues for the Group were £40.5m for the year ended 31 Jan 2024 (2023: £47.5m), excluding GUL £39.4m (2023: £35.2m) – 11.9% growth excluding GUL. Recurring / annuity revenue generating customers across all markets make up 80% of total revenues, down from 83% in Jan 23 (excluding GUL) however this reflects the growth seen in infrastructure installation (non-contracted) revenues during the year – increasing by 32% to £7.8m. Contracted revenues, excluding GUL, have grown 8.2% to £31.6m.

Gross profit (excluding GUL) has grown £2.4m (11%) to £24.7m (2023: £22.3m).

Adjusted EBITDA £15.7m, excluding GUL, for the year ended 31 Jan 24 (2023: £11.6m) – growth of £4.1m (35%).

Group results excluding GUL reflect the ongoing continuing business. GUL figures in the table above reflect discontinued operations as shown in the profit and loss account on page 15.

Capital Expenditure

The Group continues to invest in capex with tangible asset spend of £21.1m in the year to Jan 23 (2023: £19.4m). This spend reflects our continued upgrades to the national network to enhance and strengthen our network capacity and resilience, continued fibre deployment of new infrastructure in Student and Residential and Business markets. We invested a further £3.7m of spend in intangible assets (2023: £6.2m) reflecting continued developments in software, new products and enhancing our technological solutions. The capital investment in both tangible and intangible assets drive future organic growth. See Section 172 statement for further details.

Hawk Bidco Limited

Strategic report (*continued*)
for the year ended 31 January 2024

Principal Risks and Uncertainties

Management of the business and the execution of the Group's strategy are subject to a number of risks. These risks are reviewed by management and appropriate processes are in place to monitor and mitigate them. The key business risks which may affect the Group are set out below:

Competition and Market Conditions

The Group operates in competitive markets but continued development and investment in core infrastructure, product development and first-class customer services ensures the Group continues to grow market share by acquiring new customers and retaining existing ones.

Suppliers and Margins

Although over-reliance on key suppliers is minimal, there are a number of suppliers on which the Group's quality service and pricing depends. Through maintaining strong trading relationships, benefits of scale purchasing and robust tendering of key supplier contracts, the Group is confident in both maintaining supply and mitigating where possible potential increase to its cost base.

Credit Risk

The risk of customer default remains minimal for the Group's provision of internet and networking service. However, credit risk increases in providing the bill splitting services to HMOs. To mitigate these risks the Group operates policies to ensure credit worthiness of new customers and protecting against future default via customer deposits and payment plans.

Interest Rate Risk

The interest on the Group's senior banking facilities is subject to fluctuations in SONIA. The Group minimises this risk by entering into a hedging instrument.

Future developments

With considerable capacity in the existing infrastructure and continued investment to further expand the footprint and develop products, and invest in fibre deployment, the Directors are confident the growth of the Group will continue in the future. Areas of particular focus for the Group include:

- Gaining share of the high growth Residential BTR market to further drive contracted revenues - numerous framework agreements signed with large scale premium developers
- Expanding our core offering into Primary and Secondary schools providing Infrastructure as a service to an underserved market
- Investing in employees to drive development opportunities, reward and recognition
- Continuing to build internal efficiencies through process improvements and system automation, utilising AI to improve our customer experience

Hawk Bidco Limited

Strategic report *(continued)*
for the year ended 31 January 2024

Corporate Social Responsibility

Our business does not exist in isolation – our employees, customers, suppliers and the local community are affected by what we do and how we do it.

Stakeholder Engagement

Our key stakeholders are our customers, employees, suppliers, investors, shareholders and funding providers. We work to build these relationships by meeting regularly and presenting our financial results and plans as appropriate.

Section 172 Statement

During the year the Group have engaged in a number of principal decisions for the business which impact the long-term success of the business:

KPI reporting and internal systems

The group continue to invest in our core systems and processes to enable enhanced reporting to key stakeholders both internally and externally. We run continuous programmes to automate processes where possible and harness the capabilities of our internal systems. This year we have continued to build our Power BI reporting suite to provide our senior management team with information required to make informed business decisions.

Capital expenditure

As noted elsewhere within the strategic report we continually invest capital spend in both our core network and new site infrastructure along with continued fibre deployment.

ESG

Glide are committed to responsible business practices which uphold our environmental, social and governance goals. Our principal ESG related objectives, when conducting our business in a responsible and considerate manner, are:

- Reducing greenhouse gas emissions
- Manage waste and improve recycling programs
- Conducting business ethically
- Working to protect human rights and equality
- Creating an ethical workplace and culture

On behalf of the board

Paula Benoit

P Benoit

Date: 28/06/24

Hawk Bidco Limited

Directors' report for the year ended 31 January 2024

The directors present their annual report and financial statements for the year ended 31 January 2024.

Results and dividends

The results for the year are set out on page 15.

No dividends have been paid or proposed.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T J Pilcher	
P Benoit	(Appointed 17 July 2023)
C Bates	(Resigned 24 February 2023)
J Metcalfe	
A Bishop	(Resigned 31 July 2023)
D Slezak	
B Catt	(Appointed 22 February 2023)

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). 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 Group and Company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then consistently apply them;
- make judgements 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 Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Hawk Bidco Limited

Director's report (*continued*)
for the year ended 31 January 2024

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Company is aware of that information.

On behalf of the board

Paula Benoit

P Benoit
Director
Date: 28/06/24

Hawk Bidco Limited

Independent auditor's report to the members of Hawk Bidco Limited

Opinion

We have audited the financial statements of Hawk Bidco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2024 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Hawk Bidco Limited

Independent auditor's report to the members of Hawk Bidco Limited *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

Hawk Bidco Limited

Independent auditor's report to the members of Hawk Bidco Limited (*continued*)

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are considered to be compliance with OFCOM regulations. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. We performed substantive test of details, alongside data analytics testing in relation to revenue recognition and long term contracts.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Hawk Bidco Limited

Independent auditor's report to the members of Hawk Bidco Limited *(continued)*

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dominic Finn

DOMINIC FINN (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
2nd Floor
1 The Square
Temple Quay
Bristol
BS1 6DG

Date: 28/06/24

Hawk Bidco Limited

Group statement of comprehensive income for the year ended 31 January 2024

	Note	Continuing Operations 2024 £000	Discontinued Operations 2024 £000	Total 2024 £000	Total 2023 £000
Turnover	3	39,372	1,124	40,496	47,539
Cost of sales		(14,659)	(914)	(15,573)	(21,648)
Gross profit		24,713	210	24,923	25,891
Administrative expenses		(9,855)	(660)	(10,515)	(13,823)
Other operating income		820	-	820	350
EBITDA before debt issuance and non-trading costs		15,678	(450)	15,228	12,418
Depreciation	4	(15,612)	(48)	(15,660)	(14,489)
Intangible commission amortisation	4	(5,445)	(204)	(5,649)	(7,824)
Goodwill amortisation	4	(5,956)	-	(5,956)	(6,195)
(Loss) / gain on hedge derivative instruments		(2,169)	-	(2,169)	2,261
Non-trading costs	4	(1,087)	(41)	(1,128)	(9,592)
Impairment charges	4	-	-	-	(6,018)
Debt issuance costs and bank fees		(810)	-	(810)	(827)
Group operating loss	4	(15,401)	(743)	(16,144)	(30,266)
Interest payable and similar charges	7	(33,143)	-	(33,143)	(24,285)
Interest receivable and similar income	7	3,281	-	3,281	1,042
Loss on ordinary activities before taxation		(45,263)	(743)	(46,006)	(53,509)
Taxation on loss on ordinary activities	8	(48)	-	(48)	298
Loss on ordinary activities after taxation and total comprehensive loss		(45,311)	(743)	(46,054)	(53,211)

All recognised gains and losses in the current year are included in the statement of comprehensive income.

The notes on pages 21 to 44 form part of these financial statements.

Hawk Bidco Limited

Group balance sheet at 31 January 2024

<i>Company number: 12352016</i>					
	Note	31 January 2024	31 January 2024	31 January 2023	31 January 2023
		£000	£000	£000	£000
Fixed assets					
Intangible assets		140,107		148,499	
Negative goodwill		(1,787)		(2,298)	
Total intangible assets	10		138,320		146,201
Tangible assets	11		56,304		50,874
			194,624		197,075
Current assets					
Stocks	12	5,568		6,319	
Debtors	13	18,982		25,211	
Cash at bank and in hand		3,201		18,468	
		27,751		49,998	
Creditors: amounts falling due within one year	14	(24,089)		(35,920)	
Net current assets			3,662		14,078
Total assets less current liabilities			198,286		211,153
Creditors: amounts falling due after more than one year	15		(349,070)		(312,693)
Provisions for liabilities	18		(472)		(3,662)
Total Equity			(151,256)		(105,202)
Capital and reserves					
Called up share capital	20	-		-	
Share premium account	21	846		846	
Profit and loss account	21	(152,102)		(106,048)	
Total equity			(151,256)		(105,202)

The notes on pages 21 to 44 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue and are signed on its behalf by:

Paula Benoit

P Benoit
Director

Date: 28/06/24

Hawk Bidco Limited

Group statement of changes in equity for the year ended 31 January 2024

	Note	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total £000
At 31 January 2022		-	846	(52,837)	(51,991)
Loss for the year		-	-	(53,211)	(53,211)
At 31 January 2023		-	846	(106,048)	(105,202)
Loss for the year		-	-	(46,054)	(46,054)
At 31 January 2024		-	846	(152,102)	(151,256)

The notes on pages 21 to 44 form part of these financial statements.

Hawk Bidco Limited

Company balance sheet
at 31 January 2024

<i>Company number: 12352016</i>	Note	31 January 2024	31 January 2024	31 January 2023	31 January 2023
		£000	£000	£000	£000
Fixed assets					
Investments	9		40,047		40,047
Current assets					
Debtors	13	121,643		99,343	
Cash at bank and in hand		20		17,344	
		121,663		116,687	
Creditors: amounts falling due within one year	14	(104)		(10)	
Net current assets			121,559		116,677
Total assets less current liabilities			161,606		156,724
Creditors: amounts falling due after more than one year	15		(230,763)		(202,719)
Net liabilities			(69,157)		(45,995)
Capital and reserves					
Called up share capital	20		-		-
Share premium account	21		846		846
Profit and loss account	21		(70,003)		(46,841)
Total equity			(69,157)		(45,995)

The notes on pages 21 to 44 form part of these financial statements.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's loss for the year was £23.2m (2023: £18.2m loss).

The financial statements were approved by the board of directors and authorised for issue and signed on its behalf by:

Paula Benoit

P Benoit
Director
Date: 28/06/24

Hawk Bidco Limited

Company statement of changes in equity for the year ended 31 January 2024

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total £000
At 31 January 2022	-	846	(28,601)	(27,755)
Loss for the year	-	-	(18,240)	(18,240)
At 31 January 2023	-	846	(46,841)	(45,995)
Loss for the year	-	-	(23,162)	(23,162)
At 31 January 2024	-	846	(70,003)	(69,157)

The notes on pages 21 to 44 form part of these financial statements.

Hawk Bidco Limited

Group cash flow statement for the year ended 31 January 2024

	Note	31 January 2024 £000	31 January 2024 £000	31 January 2023 £000	31 January 2023 £000
Net cash generated from operating activities	26		11,305		1,787
Cashflows from investing activities					
Payments to acquire other intangible fixed assets		(3,724)		(4,715)	
Payments to acquire tangible fixed assets		(21,090)		(19,410)	
Purchase of subsidiary		-		(110)	
Interest income		3,281		1,042	
Net cash outflow from investing activities			(21,533)		(23,193)
Cashflows from financing activities					
New finance facility		14,900		33,500	
Finance facility repaid		(475)		-	
Fee paid for raising of finance		(445)		-	
Interest paid: bank loans and overdraft		(9,519)		(5,657)	
Net cash (outflow) / inflow from financing activities			4,461		27,843
Net (decrease) / increase in cash and cash equivalents			(5,767)		6,437
Cash and cash equivalents at the beginning of the year			8,968		2,531
Cash and cash equivalents at the end of the year			3,201		8,968
Cash and cash equivalents comprise:					
Cash at bank and in hand			3,201		18,468
Bank overdrafts			-		(9,500)
			3,201		8,968

The notes on pages 21 to 44 form part of these financial statements.

Hawk Bidco Limited

Notes forming part of the financial statements For the year ended 31 January 2024

1 Accounting policies

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.1 Company information

Hawk Bidco Limited (“the Company”) is a private limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Group’s operations and its principal activities are set out in the strategic report.

The group consists of Hawk Bidco Limited and all of its subsidiaries.

1.2 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (“FRS 102”) and the requirements of the Companies Act 2006.

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 £000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also required Group management to exercise judgement in applying the Group’s accounting policies. These estimates and judgements are explained in Note 2.

1.2.1 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole
- The requirements of Section 11 Financial instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 Financial instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company’s loss for the year was £18,240,000.

1.2.2 Group disclosure exemptions

In preparing the group financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- The requirements of Section 11 Related Party Disclosures, paragraph 33.1A not to disclose transactions with its wholly owned subsidiaries

Hawk Bidco Limited

Notes forming part of the financial statements For the year ended 31 January 2024

1 Accounting policies *(continued)*

1.2 Basis of preparation *(continued)*

1.2.3 Exemption from audit by parent guarantee

For the purpose of the audit of the subsidiaries, Hawk Bidco Limited has agreed to guarantee all of the liabilities of all of the following subsidiary companies as at 31 January 2024, in accordance with s479A of the Companies act:

Glide Topco Ltd, Glide Bidco Ltd, Glide Bidco 2 Ltd, Glide Holdings Ltd, Glide 2 Limited, Glide Utilities Ltd, G2 Voice Ltd

1.3 Going concern

The directors acknowledge that the group headed by Hawk Bidco Limited (“the Group”) has net current liabilities.

The banking facilities are committed until 2025 and will support the Group's ongoing activity, further investment and enable the business to meet their longer-term growth ambitions. Astatine (investors) sees the group as a platform company for growth in the UK with attractive growth prospects. Astatine has invested substantial incremental capital over the past several years to fund growth capital for the core business and has previously provided specific assurances through a support letter for certain additional capital on specific terms and limits. The directors have been delighted with this support to help them meet their longer-term growth ambitions.

The directors review the financial forecasts of the business with specific reference made to the ability of the business to service any outstanding borrowings and meet the obligations of the banking facilities as well as meeting all other obligations and liabilities of the business when they fall due. The directors have performed sensitivity analysis on forecasts to identify the risks of not being able to meet the banking facility requirements. Having performed such analysis, the directors are confident that the risk of such a situation is low and have considered mitigating actions which would be taken, should such an unlikely event arise.

The directors are confident that the Company and the Group have more than adequate resources to continue investing and growing for the foreseeable future and no material uncertainty in relation to going concern exists. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.4 Turnover

Turnover represents the amount of goods and services provided during the period net of value added tax.

In respect of long term contracts, turnover is recognised by reference to stage of completion and represents the value of work done in the period.

In respect of on going services, amounts invoiced are recognised as deferred income and released to profit and loss account on a straight line basis over the period to which they relate.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Hawk Bidco Limited

Notes forming part of the financial statements For the year ended 31 January 2024

1 Accounting policies (*continued*)

1.5 Business combinations

The group financial statements incorporate the results of Hawk Bidco Limited and all of its subsidiary undertakings (“the Group”) as at 31 January 2024 as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The group financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquirees’ identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the group statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Any excess of the cost of the business combination over the acquirer’s interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the group balance sheet immediately below goodwill.

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

1.6 Basis of consolidation

The group financial statements consist of the financial statements of the parent Company Hawk Bidco Limited together with all entities controlled by the parent Company (its subsidiaries) and the group’s share of its interests in joint ventures and associates.

All financial statements are made up to 31 January 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group’s financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest, and which are jointly controlled by the group and one or more other venturers under a contractual arrangement, are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group’s share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group’s share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group’s interest in the entity.

Hawk Bidco Limited

Notes forming part of the financial statements For the year ended 31 January 2024

1 Accounting policies (*continued*)

1.7 Intangible assets

1.7.1 Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 5 years. Goodwill is being amortised to 'administrative expenses' over periods ranging from 3 to 20 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

1.7.2 Other intangibles

Other intangibles within intangible assets relate to the costs of acquiring client service contracts of more than 1 year in duration. These costs are released to the profit and loss account in line with the life of the related contract.

1.7.3 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives, which range from 3 to 6 years.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the profit and loss account.

Hawk Bidco Limited

Notes forming part of the financial statements For the year ended 31 January 2024

1 Accounting policies (*continued*)

1.8 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold land and buildings	20% straight line
Office equipment	20% - 25% straight line
Network infrastructure and data processing equipment they relate	Over the life of the contract to which they relate

1.9 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.10 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

Where losses on any contract are foreseen, the value of work in progress will be reduced and the relevant loss expected will be recognised within the profit and loss account.

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
For the year ended 31 January 2024

1 Accounting policies (continued)

1.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.13 Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership of the leased asset to the group. The Group do not currently have any finance leases.

All other leases are treated as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term.

Hawk Bidco Limited

Notes forming part of the financial statements (continued) For the year ended 31 January 2024

1 Accounting policies (*continued*)

1.16 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is a legally 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.

1.16.1 *Basic financial assets*

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

1.16.2 *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except those investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1.16.3 *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1.16.4 *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Hawk Bidco Limited

Notes forming part of the financial statements (continued) For the year ended 31 January 2024

1 Accounting policies (continued)

1.16 Financial instruments (continued)

1.16.5 Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.16.6 Other financial liabilities

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1.16.7 Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.17 Equity instruments

Equity instruments issued by the group are recorded at the 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 group.

1.18 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
For the year ended 31 January 2024

1 Accounting policies (*continued*)

1.19 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

1.20 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Where material, the fair value of derivative financial instruments including interest rate caps is recorded as a financial asset or liability at the period end with the change in fair value charged to the statement of comprehensive income.

1.21 Reserves

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Hawk Bidco Limited

Notes forming part of the financial statements (continued) For the year ended 31 January 2024

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the accounting policies detailed above, decisions sometimes have to be made as to the likely outcome of future events. Those judgements and estimates made in preparing the financial statements are based on historical experience and assumptions that the directors believed were reasonable in the circumstances.

2.1 Impairments

Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

2.2 Doubtful debts

Provisions are made against Glide Utilities Ltd's trade receivables based on historical experience of levels of recovery from accounts in a particular ageing category. The actual amounts collected could differ from the estimated level of recovery which could impact operating results.

2.3 Long-term contracts

Revenue recognition of long-term contracts is based on management estimations of stage completion and value of work completed for each individual project. Factors taken into consideration include project start dates, judgement of expert project managers, expected remaining life of the project and customer delivery dates.

2.5 Depreciation and amortisation

The annual depreciation charge for tangible assets and amortization charge for intangible assets (including goodwill) is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 10 and 11 for the carrying amount of the intangible and tangible assets, and note 1.8 for the useful economic lives for each class of assets.

2.5 Capitalisation of tangible and intangible costs

Determination that the criteria have been met to capitalise costs, the classification between tangible and intangible has been assessed and the proportion of labour costs capitalised reflects activity. Annual reviews of the methodology are conducted to assess valuation of costs and the labour costs capitalised and ensure any changes in the level and nature of activities are reflected.

2.6 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in statement of comprehensive income in finance costs or income as appropriate.

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
For the year ended 31 January 2024

3 Turnover

Turnover is wholly attributable to the principal activity of the group.

	2024	2023
	£000	£000
<i>Analysis by geographical market:</i>		
United Kingdom	39,289	46,509
Europe	1,207	926
Rest of the world	-	104
	40,496	47,539
<i>Analysis by type:</i>		
Contracted recurring revenue - managed service and connectivity	32,693	41,590
Non-recurring revenue - project and installation	7,803	5,949
	40,496	47,539

4 Operating loss

	Note	2024	2023
		£000	£000
Operating loss for the year is stated after charging:			
Depreciation of owned tangible fixed assets	13	15,660	14,489
Loss on disposal of tangible fixed assets		-	39
Amortisation of intangible assets	12	5,649	7,824
Amortisation of goodwill on consolidation	12	5,956	6,195
Operating lease charges		355	684
Impairment charge in respect of doubtful debts		-	536
Impairment in respect to intangible assets		-	6,018
Non-trading costs		1,321	9,592
Debt issuance costs		810	753
Auditor remuneration:			
- fees payable to the group's auditor for the audit of the group's annual accounts		155	222
- other services supplied under legislation		9	18
- other taxation services		40	44

Auditors' remuneration in respect of the audit of the company's financial statements are borne by a fellow group company. Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been separately disclosed for the company as the information is required instead to be disclosed on a consolidated basis.

Non-trading costs and impairments

Non-trading costs are one-off, non-recurring costs relating to bad debt write-off, restructuring costs, office dilapidations and office onerous lease costs. Prior year charges relate primarily to the winddown of trade in Glide Utilities Ltd.

Impairment charges in in the prior year in respect of intangible assets relate to goodwill and other intangible assets for Glide Utilities Ltd which have been fully impaired as a result of the company ceasing to trade.

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
For the year ended 31 January 2024

5 Employees

Staff costs (including directors) consist of:

	Group 2024 £000	Group 2023 £000
Wages and salaries	15,096	16,011
Social security costs	1,690	1,885
Other pension costs	263	270
	17,049	18,166

The average number of employees (including directors) during the year was 282 (2023: 335).

All employee costs are borne by Glide Student & Residential Ltd, Glide Utilities Ltd and Glide Business Ltd.

6 Directors' remuneration

Key management personnel is considered to be the directors of the company.

	2024 £000	2023 £000
Directors' remuneration	353	475

The total amount payable to the highest paid director in respect of emoluments was £233,000 (2023: £257,000). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2023: - £nil).

7 Interest payable / (receivable) and similar charges

	2024 £000	2023 £000
Interest on bank overdrafts and loans	10,099	6,064
Interest on shareholder loans	23,044	18,221
Interest payable and similar charges	33,143	24,285
Interest receivable from hedging contracts	(3,281)	(1,042)
Interest receivable and similar income	(3,281)	(1,042)

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
for the year ended 31 January 2024

8 Taxation on loss on ordinary activities

	2024	2023
	£000	£000
<i>UK Corporation tax</i>		
Adjustment in respect of previous periods	17	(18)
Total current tax	<u>17</u>	<u>(18)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	278	(366)
Adjustment in respect of previous periods	(247)	86
Total deferred tax	<u>31</u>	<u>(280)</u>
Total taxation charge / (credit) on loss on ordinary activities	<u>48</u>	<u>(298)</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	2024	2023
	£000	£000
Loss on ordinary activities before tax	(46,199)	(53,509)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24.03% (2023: 19.00%)	(11,102)	(10,167)
Effect of:		
Tax effect of expenses not deductible in determining taxable profit	4,422	4,028
Income not deductible for tax purposes	-	(74)
Fixed asset timing difference	11	(1,088)
Research and development expenditure credits	(54)	(280)
Goodwill amortisation	1,431	1,177
Adjustment in charge in respect of prior periods – CT	17	(18)
Adjustment in charge in respect of prior periods – DT	(5)	86
Other permanent differences	49	1,576
Deferred tax not recognised	5,489	4,524
Remeasurement of deferred tax for changes in tax rates	(210)	(62)
Total tax charge / (credit) for the year	<u>48</u>	<u>(298)</u>

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
for the year ended 31 January 2024

9 Fixed asset investments

Company

	Company £000
<i>Cost or valuation and carrying amount</i>	
At 31 January 2023 and at 31 January 2024	40,047

Subsidiary undertakings, associated undertakings and other investments

The undertakings in which the company's interest at the year end is 20% or more are as follows:

	Class of share capital held	Proportion of share capital held	Nature of business
Glide Student & Residential Limited (1)	Ordinary	100	Provision of internet and networking products and services
Glide 2 Limited (2)	Ordinary	100	Holding company
Glide Utilities Limited (2)	Ordinary	100	Provision of utility supply and bill-splitting technology
G2 Voice Limited (2)	Ordinary	100	Non-Trading
Glide Business Limited (1)	Ordinary	100	Provision of internet and networking products and services
Velocity1 Limited (1)	Ordinary	100	Fibre optic broadband supplier
Glide Fibre Limited (1)	Ordinary	100	Provision of internet and networking products and services
Gibson Midco Limited (1)	Ordinary	100	Holding company
Glide Topco Limited (1)	Ordinary	100	Holding company
Glide Bidco Limited (1)	Ordinary	100	Holding company
Glide Bidco 2 Limited (1)	Ordinary	100	Holding company
Glide Holdings Limited (1)	Ordinary	100	Holding company

(1) Registered office: Glide House, Ground Floor, Building 4, Windmill Road, Kenn, North Somerset, BS21 6UJ

(2) Registered office: Alpha Tower, Suffolk Street Queensway, Birmingham, B1 1TT

By virtue of section 479A of the Companies Act 2006, Glide Fibre Limited and Velocity1 Limited is exempt from the requirements relating to the audit of individual accounts, with the parent company, Hawk Bidco Limited, providing a guarantee for the Company under section 479C.

Audit exemption

The company's subsidiaries; Glide Utilities Limited, Glide 2 Limited, Glide Topco Limited, Glide Bidco Limited, Glide Bidco 2 Limited, and Glide Holdings Limited have taken exemption from audit by virtue of s479A Companies Act 2006, in connection with which the ultimate parent Hawk Bidco Limited has guaranteed their liabilities.

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
for the year ended 31 January 2024

10 Intangible fixed assets

Group	Goodwill on acquisition £000	Other intangibles £000	Total £000
<i>Cost</i>			
At 31 January 2023	126,772	53,917	180,689
Additions	-	3,724	3,724
Disposal	-	(2,102)	(2,102)
At 31 January 2024	126,772	55,539	182,311
<i>Amortisation</i>			
At 31 January 2023	16,865	17,623	34,488
Provided for in the year	5,956	5,649	11,605
Disposal	-	(2,102)	(2,102)
At 31 January 2024	22,821	21,170	43,991
<i>Net book value</i>			
At 31 January 2024	103,951	34,369	138,320
At 31 January 2023	109,907	36,294	146,201

11 Tangible fixed assets

	Leasehold land and buildings £000	Office equipment £000	Network infrastructure and data processing equipment £000	Total £000
<i>Cost</i>				
At 31 January 2023	560	4,083	127,034	131,677
Additions	-	192	20,898	21,090
At 31 January 2024	560	4,275	147,932	152,767
<i>Depreciation</i>				
At 31 January 2023	559	3,480	76,764	80,803
Provided for in the year	-	275	15,385	15,660
At 31 January 2024	559	3,755	92,149	96,463
<i>Net book value</i>				
At 31 January 2024	1	520	55,783	56,304
At 31 January 2023	1	603	50,270	50,874

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
for the year ended 31 January 2024

12 Stocks

	Group 31 January 2024 £000	Company 31 January 2024 £000	Group 31 January 2023 £000	Company 31 January 2023 £000
Finished goods and goods for resale	4,714	-	5,758	-
Work in progress	854	-	561	-
	5,568	-	6,319	-

There is no material difference between the replacement cost of stocks and the amounts stated above.

13 Debtors

	Group 31 January 2024 £000	Company 31 January 2024 £000	Group 31 January 2023 £000	Company 31 January 2023 £000
Trade debtors	5,503	-	9,084	-
Corporation tax recoverable	976	-	771	-
S455 tax recoverable	163	-	163	-
Other debtors	233	111	473	111
Prepayments and accrued income	4,608	-	4,645	1
Other taxes	119	-	373	-
Derivative Financial Instruments	2,490	-	2,122	-
	14,092	111	17,631	112

All amounts shown under debtors fall due for payment within one year except:

Amounts owed by group undertakings	4,890	121,532	4,864	99,231
Derivative financial instruments	-	-	2,538	-
Deferred tax asset	-	-	178	-
	4,890	121,532	7,580	99,231

Total debtors **14,092** **121,643** **25,211** **99,343**

Deferred taxation

	Group 2024 £000	Company 2024 £000	Group 2023 £000	Company 2023 £000
Fixed asset timing differences	-	-	178	-
	-	-	178	-

Amounts owed by group undertakings have no fixed repayment terms and attract no interest. There are no intentions to draw down these balances within 12 months.

Derivative financial instruments are comprised of assets resulting from hedges placed.

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
for the year ended 31 January 2024

14 Creditors: amounts falling due within one year

	Group 31 January 2024 £000	Company 31 January 2024 £000	Group 31 January 2023 £000	Company 31 January 2023 £000
Bank overdrafts	-	-	9,500	-
Bank loans	950	-	475	-
Trade creditors	3,939	3	6,283	-
Other taxation and social security	1,319	-	1,302	-
Accruals and deferred income	17,406	102	17,938	10
Deferred tax liability	475	-	422	-
	24,089	105	35,920	10

15 Creditors: amounts falling due after more than one year

	Group 31 January 2024 £000	Company 31 January 2024 £000	Group 31 January 2023 £000	Company 31 January 2023 £000
Bank loans	116,001	-	107,689	-
Shareholder loans	228,164	228,164	200,120	200,120
Amounts owed to group undertakings	4,905	2,599	4,884	2,599
	349,070	230,763	312,693	202,719

	Group Bank loans 31 January 2024 £000	Company Bank loans 31 January 2024 £000	Group Bank loans 31 January 2023 £000	Company Bank loans 31 January 2023 £000
Bank overdrafts	-	-	9,500	-
<i>Bank loans:</i>				
Due within one year	950	-	475	-
Due in more than one year	117,525	-	109,525	-
Total bank loans and overdrafts	118,475	-	119,500	-
<i>Issue costs:</i>				
To be released to the profit and loss account within one year	(1,026)	-	(753)	-
To be released to the profit and loss account in more than one year	(498)	-	(1,083)	-
	116,951	-	117,664	-

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
for the year ended 31 January 2024

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

Maturity of debt:

	Bank loans and overdrafts 31 January 2024 £000	Bank loans and overdrafts 31 January 2023 £000
In one year or less, or on demand	950	475
In more than one year but not more than two years	117,525	950
In more than two years but not more than five years	-	108,625
In more than five years	-	-
	118,475	110,050

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the group and company.

£94.5m (2023: £95.0m) of the bank loans are subject to interest of SONIA +4% per annum which is payable bi-annually and repayable in August 2025. £15.0m (2023: £3.5m) of the bank loans are subject to interest of SONIA + 3.50% per annum which is payable bi-annually and repayable in October 2025.

16 Financial Instruments

Group

	31 January 2024 £000	31 January 2023 £000
Financial assets		
Financial assets measured at amortised cost	18,555	38,678
Financial assets measured at fair value - derivatives	2,490	4,660
Financial liabilities		
Financial liabilities measured at amortised cost	364,213	338,562
Financial liabilities measured at fair value - derivatives	-	-

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash at bank and hand.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, other tax and social security creditors and bank loans.

Hawk Bidco Limited

Notes forming part of the financial statements (continued) for the year ended 31 January 2024

17 Deferred Tax

Group

	31 January 2024 £000	31 January 2023 £000
Fixed asset timing differences	7,364	2,755
Short term timing differences	(6)	236
Losses and other deductions	(6,883)	(2,569)
	475	422

18 Provisions

Group

	Onerous Lease Provision £000	Restructuring Provision £000	Total £000
At 31 January 2023	(894)	(2,768)	(3,662)
Utilised in the year	(421)	(2,768)	(3,189)
At 31 January 2024	(473)	-	(473)

19 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £263,000 (2023: £270,000). Contributions amounting to £58,000 (2023: £57,000) were payable to the fund and are included in creditors.

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
for the year ended 31 January 2024

20 Share capital

	31 January 2024 £000	31 January 2023 £000
<i>Allotted, called up and fully paid</i>		
2 (2023: 2) ordinary shares of £1.00 each	-	-
	-	-

21 Reserves

Details of the movements in reserves are set out in the group statement of changes in equity. A description of each reserve is set out below.

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid in excess of the nominal value of share capital issued.

Profit and loss account

Profit and loss account shows the accumulated undistributed profit of the Group that has been recognised through the group statement of comprehensive income.

22 Commitments under operating leases

The group had total commitments under non-cancellable operating leases as set out below:

	Group 31 January 2024 £000	Company 31 January 2024 £000	Group 31 January 2023 £000	Company 31 January 2023 £000
Operating leases which expire:				
Within one year	233	-	322	-
In one to two years	204	-	228	-
In two to five years	79	-	283	-
In over five years	-	-	-	-
	516	-	833	-

Hawk Bidco Limited

Notes forming part of the financial statements (continued) for the year ended 31 January 2024

24 Related party disclosures

Astatine Investment Partners (shareholders) and directors of the Group are owed the following amounts in respect of loan notes:

	Astatine 2024 £000	Astatine 2023 £000	Directors 2024 £000	Directors 2023 £000
Balance brought forward	199,451	154,299	668	647
Additions	5,000	27,000	-	-
Repaid	-	-	-	(48)
Interest accrued	22,959	18,152	86	69
Balance carried forward	227,410	199,451	754	668

The loan notes attract interest at 11% and are redeemable in the event of a sale or listing, or on 31 May 2030, whichever is earlier.

25 Controlling parties

There is no controlling party of the company. The immediate parent company is Hawk Topco Limited, a company registered in Jersey.

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with its wholly owned subsidiaries.

Hawk Bidco Limited

Notes forming part of the financial statements (continued) for the year ended 31 January 2024

26 Cashflows from operating activities

	Year ended 31 January 2024 £000	Year ended 31 January 2023 £000
Loss for the financial year	(46,054)	(53,211)
Adjustments for:		
Tax charge / (credit)	48	(298)
Interest payable	33,143	24,285
Interest receivable	(3,281)	(1,042)
Amortisation of intangible assets	11,605	14,019
Depreciation of tangible fixed assets	15,660	14,489
Loss / (gain) on hedge derivative instruments	2,169	(2,261)
Impairment of intangible assets	-	6,018
Movement in corporation tax	(820)	(350)
Profit/loss on disposal of tangible fixed assets	-	40
Debt issuance costs charged to the statement of comprehensive income	758	753
Decrease / (Increase) in stocks	750	(2,456)
Decrease / (Increase) in debtors	3,897	889
(Decrease) / Increase in creditors	(4,388)	(2,750)
Increase/(decrease) in provisions	(3,189)	3,662
Cash from operations	10,298	1,787
Corporation tax received / (paid)	1,007	-
Net cash generated from operating activities	11,305	1,787

27 Analysis of changes in net debt

	At 1 February 2023 £000	Cashflows £000	Other non- cash changes £000	At 31 January 2024 £000
Cash at bank and in hand	18,468	(15,267)	-	3,201
Bank overdraft	(9,500)	9,500	-	-
	8,968	(5,767)	-	3,201
Borrowings excluding overdrafts	(310,120)	(14,425)	(22,094)	(346,639)
	(301,152)	(20,192)	(22,094)	(343,438)

Hawk Bidco Limited

Notes forming part of the financial statements (continued)
for the year ended 31 January 2024

28 Discontinued operations

As disclosed in the prior year, as a direct result of the Ukraine war and excessive volatility in wholesale energy prices (leading to significant reductions in revenues), the group made the difficult decision to cease operations through its subsidiaries Glide 2 Ltd and Glide Utilities Ltd. Existing contracts were run-off during the year, the last terminating in Q4 of this financial year. Consequently, the results for Glide 2 Ltd and Glide Utilities Ltd have been separately disclosed on the face of the profit and loss account as discontinued operations. As at 31 January 2024 the Glide 2 Ltd had net assets of £503,000 and Glide Utilities had net assets of £883,000. These assets are predominantly made up of amounts recoverable from fellow group companies.